Supreme Court, U.S.
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No.

IN THE

Supreme Court of the United States

DOUGLAS FAULKNER, ET. AL, PETITIONERS

v.

NATIONAL GEOGRAPHIC SOCIETY, ET. AL

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

PETITION FOR WRIT OF CERTIORARI

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QUESTIONS PRESENTED

Whether the preservation of context of works contributed to a collective work is all that is needed to permit its publishers to reproduce them in new anthologies as a privileged "revision" of each and every included collective work, without regard to the impact of added materials upon the character of the new digital product, under 17 U.S.C. § 201(c) and *New York Times Co., Inc. v. Tasini*, 533 U.S. 483 (2001).

(A.) Did this Court's *Tasini* decision establish only one permissible analytical framework for deciding the dichotomous inquiry of whether a particular work is a privileged "revision" of a previous work under 17 U.S.C. § 201(c), or an unprivileged "new" or "other" work, and does its analysis so substantially depart from the *Greenberg* analysis (*Greenberg v. National Geographic Society*, 244 F.3d 1267 (11th Cir. 2001) (corrected opinion), *cert. denied*, 534 U.S. 951 (2001)) that it represents an intervening change in law?

(B.) Does 17 U.S.C. § 201(c) have any application to situations where contributing authors and publishers entered into written contracts which did not include any republication rights, and was it incumbent upon contributing authors to expressly limit publication rights licenses or upon collective works publishers to expressly secure the publication rights licenses they wanted?

PARTIES TO THE PROCEEDINGS

Douglas Faulkner; Sally Faulkner; David Hiser; David G. Allen as Successor in Interest to Arthur Allen; Richard Conniff; Jon Krakauer; John Knoebber; Elizabeth Royte; Joe Baraban; Pamela Wilson Sartorelli; Doranne Jacobson; and Jerome Jacobson, Petitioners

National Geographic Society, National Geographic Enterprises, Inc., National Geographic Interactive, and National Geographic Holdings, Inc. d/b/a National Geographic Interactive d/b/a National Geographic Enterprises, Inc., Eastman Kodak Company, and Dataware Technologies Inc.; Louis Psihoyos; Matrix International, Inc., as agent for Roger Hutchings and Rick Rickman; David Robert Austin; and Fred Ward, Respondents.

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OPINIONS BELOW

The opinion of the Court of Appeals is reported at *Faulkner v. National Geographic Enterprises Inc.*, 409 F.3d 26 (2d Cir. 2005), and is reprinted in Appendix A to the Petition ("Pet. App.") at Pet. App. 1a-31a. A motion for en banc rehearing was filed on March 18, 2005 by Plaintiffs-Appellants Louis Psihoyos, Rick Rickman, David Robert Austen and Matrix International Incorporated, which was denied on July 21, 2005, reprinted in Pet. App. F at 163a-164a.

The District Court's opinions are reported in *Faulkner v. National Geographic*, 296 F.Supp.2d 488 (Dec. 23, 2003), reprinted at Pet. App. B at 32a-42a; *Faulkner v. National Geographic*, 294 F.Supp.2d 523 (Dec. 11, 2003), reprinted in Pet. App. C at 43a-99a; *Faulkner v. National Geographic*, 220 F.Supp.2d 237 (Sept. 4, 2002), reprinted in Pet. App. D at 100a-107a; and *Faulkner v. National Geographic*, 211 F.Supp.2d 450 (July 13, 2002), reprinted in Pet. App. E at 108a-162a.

JURISDICTION

The Court of Appeals entered its decision on March 4, 2005. The motion for an en banc rehearing was denied on July 21, 2005. This Court has jurisdiction under 28 U.S.C. § 1254(1).

STATUTES INVOLVED

This case involves provisions of the Copyright Act, 17 U.S.C. § 101, *et seq.*, specifically §§ 101, 103(b) and 201(c). The pertinent provisions are reproduced in Pet. App. G at 165a-166a.

STATEMENT OF THE CASE

This case concerns whether a publisher of collective works is privileged under 17 U.S.C. § 201(c) to exploit and profit from the reproduction and distribution of copyrighted contributions to those collective works in dozens of new products, without consent of or compensation to the authors of the contributions, so long as the context of the contribution is maintained.

Petitioners are photographers and text authors whose works[1] were published in *National Geographic* magazine in paper form ("NGM"), which has been published for over one hundred years by the National Geographic Society ("NGS").

This petition should be granted because the Second Circuit's judgment conflicts with this Court's teachings in *New York Times Co., Inc. v. Tasini*, 533 U.S. 483 (2001), and the judgment of the Eleventh Circuit in *Greenberg v. National Geographic Society*, 244 F.3d 1267 (11th Cir. 2001), (corrected opinion), *cert. denied*, 534 U.S. 951 (2001), which involved the same defendants and products.

In *Tasini*, this Court taught that a publisher could not reproduce or distribute copies of authors' contributions within a new collective work, and that reuse of a contribution under the 17 U.S.C. § 201(c) requires maintenance of the context of the work in the original collective work. In analyzing when a proposed work is a "revision" or a "new" work, this Court found that the whole of a digital database of numerous periodical issues in the *Tasini* case is "not recognizable as a new version of its every small part" and "simply cannot bear characterization as a 'revision' of any one periodical edition." *Tasini*, 533 U.S. at 500 and 501 n. 9.

The Second Circuit embraced the requirement of preservation of context but wholly failed to appreciate the

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[1] Works consist of photographic images ("images") and text articles ("texts").

requirement that the proposed work also be a version of the original collective work in which the at-issue work appeared rather than a new and different work.

In its analysis of the CNG, the Eleventh Circuit evaluated the products at issue in both Circuits and the various new features and arrangements of the underlying works within the new collective works and found that the CNG was not a "revision" of any of the print magazines, notwithstanding the in-context inclusion of the magazines, and that it was a massive new digital anthology. The Second Circuit ignored the volume and nature of additional new material and took the position that the in-context reproduction of the print magazines rendered the CNG still a "revision" of the included print magazines because the user would perceive the new electronic compilations as nothing more than replicas of the former collective works, i.e., the NGMs. The Second Circuit's decision is egregiously erroneous; it is in conflict with this Court's teachings in *Tasini* and it frustrates the legislative purposes of 17 U.S.C. § 201(c) and the Copyright Act.

Respondents have infringed Petitioners' copyrights by incorporating their images and texts into new digital anthologies without seeking permission from, or paying compensation to, the copyright owners of the contributions. Respondents have facilitated and encouraged wholesale secondary copying by end-users who were never granted a license by the copyright owners. Respondents never paid for the electronic uses and the written agreements between the parties did not provide for anything other than print on paper usage. Respondents have collected in excess of $100 million from these infringing acts.

The Second Circuit's refusal to hold Respondents accountable is a complete departure from the established principles of copyright ownership and liability. The Copyright Act addresses the question of ownership of the underlying works in a compilation in 17 U.S.C. § 103(b) [Pet. App. at 165a],

> The copyright in a compilation or derivative work extends only to the material contributed by the author of such work, as distinguished from the preexisting material employed in the work, and does not imply any exclusive right in the preexisting material. The copyright in such work is independent of, and does not affect or enlarge the scope, duration, ownership, or subsistence of, any copyright protection in the preexisting material. (emphasis added).

This Court explained the impact of § 103(b):

> So long as the pre-existing work remains out of the public domain, its use is infringing if one who employs the work does not have a valid license or assignment for use of the pre-existing work.... It is irrelevant whether the pre-existing work is inseparably intertwined with the derivative work. *Stewart v. Abend*, 495 U.S. 207, 223 (1990) (citations omitted).

This Court held the New York Times Company, Inc. liable in *Tasini* for infringing uses of works contributed to collective works because the context of the works was not maintained and because they were used in "new" works. 533 U.S. 483, 488 (2001),

> The publishers are not sheltered by § 201(c), we conclude, because the databases reproduce and distribute articles standing alone and not in context, not "as part of that particular collective work" to which the author contributed, "as part of ... any revision" thereof, or "as part of ... any later collective work in the same series.

The Second Circuit read *Tasini* as permitting reuse of contributed works to a collective work in new products so

long as the context of their original appearance is maintained, finding the CNG product a privileged use under 17 U.S.C. § 201(c). The Eleventh Circuit reached the opposite conclusion on this same issue in a case involving exactly the same products and Respondents. *Greenberg v. National Geographic Society*, 244 F.3d 1267 (11th Cir. 2001) (corrected opinion), *cert. denied*, 534 U.S. 951 (2001).

Review is urgently needed not only to resolve the conflict between the Second and Eleventh Circuits, and more importantly to clarify the standards for permissible reuse by a publisher of collective works. The infringements by Respondents have inflicted millions of dollars of loss to Petitioners. Petitioners are also without power to seek redress through lawsuits against the millions of indirect infringers who subsequently copied from the CNG as Respondents encouraged. Left undisturbed, the Second Circuit's judgment will leave these harms unremedied and, in fact, sanctioned by law, undermining this Court's guidance in *Tasini* and defeating the purposes of the Copyright Act and Congress' intent.

The purpose of the Copyright Act is to encourage creativity not copying. *Fox Film Corporation v. Doyal*, 286 U.S. 123, 127 (1932). In *Tasini*, this Court noted Congress' intention that the publisher's privilege to be a narrowly limited exception to allow publishers the right to revise a previously published collected work, but not to use a contributing author's work in a new collective work, such as a digital anthology. This Court needs to give clear guidance to the courts and to the publishing industry about the scope of the publisher's privilege so that the rights of contributing authors are given the full protection envisioned by Congress in enacting Section 201(c).

The ease with which copyrighted works in digital form can be unlawfully copied and distributed millions of times over makes it especially important that traditional principles of copyright liability apply to enterprises that encourage and profit from infringement. The current conflict

means that in the Eleventh Circuit a publisher of paper magazines cannot digitize its archived magazines for sale as a new anthology product, but a publisher in the Second Circuit -- the heart of the publishing industry -- is free to do so. Under the current scenario, publishers and authors will forum shop.

A. Factual Background

After 108 years of publishing NGM on paper, the NGS and its corporate affiliates (collectively the Respondents here), launched a new digital product called the CNG. *Never before 1997* had NGS produced a collective work comprising all prior issues of the NGM collective works. The CNG was not a revision of any similar prior compilation or anthology of the monthly magazine issues, because no such compilation or anthology existed. The CNG also does not revise any individual issues, although some individual issues have been revised before inclusion into the CNG (by, for example, blacking out particular photos).

The CNG consisted of a collection of scans of *all* the NGMs[2] along with the various other new components.[3] The

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[2] In fact, the works of the contributors are accessible apart from their context in the magazines. A computer user can bypass the program and directly access the information on the CD-ROM which has a separate data file labeled "images" which contains photographs. These images can be pulled directly from the CD-ROM into another program, such as Adobe Photoshop, and altered or manipulated to create derivative works. NGS was well aware that the authors' contributions could be separately accessed apart from their context as presented in the original print magazine. In marketing materials disseminated by Encore Software on behalf of NGS an End User License Agreement is included which states that "[a]s a user of this product, you are free to use, modify and publish the Images as you wish" and "incorporate any Image(s) into your own original work and publish, display and distribute your work in any media." *Faulkner*, 409 F.3d at 32. Thus, NGS was inviting users to infringe the copyrights of its contributors.

Eleventh Circuit held in the *Greenberg* case that the new material added to each issue of the NGM Magazine to create the CNG disc is so great in volume that it overwhelms the NGM Magazine to which it is added rendering the CNG not recognizable as a new version of any NGM issue.

The retail product package of the CNG states that it contains "178,567 pages with spectacular photographs, 9,048 fascinating articles and 100 years of classic advertising." The package includes NGS' copyright notice: "© 1997 National Geographic Society. All rights reserved." That notice also appears on every page of the CNG that is downloaded and/or printed from the CD108, the initial version of the CNG.

Since the launch of the CD108 in the fall of 1997, the Respondents continued to update it each year and to market hundreds of related products, each including different collections of NGS magazines in a new digital form. These products, and their progeny, are collectively referred to herein as the "CNG." Distribution of the CNG products is completely separate and distinct from that of the NGS magazine. The NGS magazine is distributed to members of the NGS by mail, and the CNG products are sold to the general public in retail stores, by catalog, on the Internet, and by mail. The CNG disc products have been hugely successful and have generated enormous profits for the Respondents. The Respondent Dataware reported on its Web site the CD108, "became the highest selling CD-ROM set in history." All CNG products have been withdrawn from the

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[3] Contents of "The Program:" (1) An animated globe logo with music; (2) A National Geographic Interactive visual montage with sound; (3) A Kodak advertisement with voice and music; (4) An electronically-morphed sequence of magazine covers with music; (5) Word-search capability; (6) Advanced search capability using Boolean operators, wildcards, truncated words; (7) Feature for saving search results; (8) Article-by-article inspection; (9) Interactive link with the NGS Web site; (10) Bookmark feature; and (11) Button for printing any page displayed on a screen.

market in light of *Greenberg*.

At the June 12, 1997 meeting of the NGS Board of Trustees, NGS Trustee and retired Judge A. Leon Higginbotham, Jr., who died in 1998, expressed concern about whether NGS had the right to produce a digital anthology of print issues of the NGM Magazines, whether NGS had adequate insurance "against potentially large damages" and he suggested an independent outside counsel's opinion be obtained before proceeding. The CNG discs were launched against the advice of outside counsel sought at Judge Higginbotham's suggestion.

Central to this case is whether the CNG is a new product or a mere compilation of previously registered works. Respondents contention that the CNG product is nothing more than a huge bundle of reprints of NGS magazines is contradicted by its application to copyright register each and every CNG product. Mere assembly of every issue of the NGS is not a creative decision which would entitle NGS to a copyright registration. *Feist Publications, Inc. v. Rural Telephone Service Company*, 499 U.S. 340 (1991). The Eleventh Circuit relied on NGS's admissions in its copyright registration application filed in 1998 with the Copyright Office that the work had never existed before. 244 F.3d at 1273. Accordingly, this was a new work.

"Copyright in the collective work vests in the collective author (here, the [Magazine] Publisher) and extends only to the creative material contributed by that author, not to 'the preexisting material employed in the work....'" 533 U.S. 483, 494 (quoting 17 U.S.C. § 103(b)). Thus, in creating a new work the Society forfeited any privilege that it might have enjoyed to reuse the contributions to the print magazine issues. (emphasis added)" *Id.* at 1273.[4]

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[4] The House Report, H.R. Rep. No. 94-1476, (1976), reprinted in 1976 U.S.C.C.A.N. 5659, 5738, at 122-23, said that a publisher could not include an author's contributions "in a new anthology or an entirely

While it is true that the mere inclusion of new or additional copyrightable material to a collective work does not necessarily make it a new work rather than a new version of the original work, when the amount of new materials added are so substantial as to render the resulting product not recognizable as the original or version of it, then a "new" or "other" work has been created. Whether such a metamorphosis has occurred would ordinarily be a question for the jury to decide, but it may be found on summary judgment where no reasonable juror would reach a contrary conclusion. This is such a case.

Petitioners had furnished their works at extreme discounts to the *not-for-profit* NGS for inclusion in the highly regarded educational NGM paper magazine because of the prestige and recognition that were attached to the publication. The NGS has since created a number of for-profit subsidiaries, operated by seasoned corporate executives who learned their management skills at major multinational corporations. NGS transferred the rights to publish and/or register the CNG products to its wholly owned for-profit subsidiaries. All of the Respondents contracted with each other to do business, create, finance and enable the infringing products.

NGS's transfer of a limited right granted by Petitioners to its for-profit subsidiaries for exploitation in new products in new technologies was neither contemplated nor contracted for by Respondents. The Second Circuit improperly faults Petitioners for their lack of prescience rather than respecting 17 U.S.C. § 103(b)'s and this Court's explicit recognition that all rights nor granted by contract remain with the authors of the contributed works.

If the Second Circuit decision remains undisturbed, every author who has ever made a contribution of copyrighted works to a periodical will be stripped of his

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different magazine or other collective work." The CNG is both.

rights to control republication of his work. Such a forfeiture of rights violates the principles the Constitution and the Copyright Act strive to protect.

B. Proceedings Below

Petitioners sued seeking an injunction and damages. On December 11, 2003, the District Court granted summary judgment for Respondents and against Petitioners, finding the CNG was a permitted "revision" under 17 U.S.C. § 201(c) and *Tasini* (*Faulkner v. National Geographic Society*, Pet. App. C, and that Respondents were not *collaterally estopped* by the *Greenberg* decision (244 F.3d 1267, 1273 n.13., 11th Cir. 2001), which found the CNG to be infringing.

The Second Circuit affirmed, holding the CNG is a "revision" for § 201(c) purposes. *Faulkner v. National Geographic Enterprises Inc.*, Pet. App. at 20a & 21a. It also resolved the other issues against Petitioners.

REASONS FOR GRANTING THE PETITION

Grant of this petition is essential. Every recognized reason for review by this honorable Court is manifest in this case.

The Second Circuit's decision reflects egregious error, constitutes a flagrant misreading and misapplication of this Court's teachings in *Tasini* and causes extraordinarily harsh and unreasonable results. The publishers have used the works contributed for a single print use in a collective work, without further payment to contributing authors, reaping revenues in excess of $100 million through the repeated exploitation of those contributed works in dozens if not hundreds of products. The Second Circuit's refusal to hold the Respondents accountable is a complete departure from the established principles of copyright ownership and liability.

The Court of Appeals has also departed from the

accepted and usual course of judicial proceedings, refusing to give decisions of this Court full scope, and refusing to follow the decision of a coordinate circuit, which is wholly consistent with this Court's precedents. The Court of Appeals has refused to apply the well-established applicable doctrine of *collateral estoppel* against Respondents who have had full and fair opportunity to litigate the very same issue regarding the very same products in the Eleventh Circuit, and lost. It ignored the legal reasoning of *Greenberg*, believing that it had been superceded *sub silentio* by *Tasini* and that reproducing the monthly paper NGS magazines substantially in-context in the new CNG products was sufficient to satisfy the *Tasini* analysis. It did no further analysis to determine whether a "new collective work" was being created as the *Greenberg* Court did, and as was required by this Court in *Tasini*. Pet. App. at 17a.

The Second Circuit's decision conflicts directly with that of the Eleventh Circuit Court of Appeals on the same important matter involving the same primary defendants and the same products. The *Greenberg* court found,

> [T]he Society ... has created a new product ('an original work of authorship), in a new medium, for a new market that far transcends any privilege of revision or other mere reproduction envisioned in § 201(c). *Greenberg, supra* at 1273.

Greenberg held the CNG product was a new compilation, not a permitted "revision" under that section, notwithstanding its preservation of context. The Second Circuit erroneously found that the CNG is a privileged revision "because the original context of the Magazines is omnipresent in the CNG." Pet. App. at 20a. The Second Circuit substituted its judgment about consumer perception for that of the trier of fact in finding that consumers would conclude that the CNG is merely a new version of the individual monthly magazine issues.

Greenberg is completely in agreement with *Tasini*, which confirmed the proscriptions of § 201(c) against reproduction or distribution of copies of the author's contribution: (1) in isolation or (2) within new collective works. 533 U.S. at 485. While *Tasini* did hold that the context of the individual works had to be preserved in any subsequent republication, it also confirmed that republication was only permitted in the limited categories of works explicitly identified in § 201(c). The CNG is a new collective work, and as such is an unauthorized reproduction and distribution of the authors' works. The Second Circuit missed the point that while the statute permits a revision of the NGS magazines, the Respondents admit that there was no revision. The CNG is an illicit new collection or anthology under the analysis required by both *Tasini* and *Greenberg*. The CNG is not a revision of any single one of the various editions of the NGS paper magazine. It was clearly an error for the Second Circuit to have held that the CNG products were permitted revisions in the face of the Eleventh Circuit decision in *Greenberg*.

The conflict with the decision of the Eleventh Circuit Court of Appeals relates to the central issue in both cases. The District Court noted,

> This issue is one of substantial importance to the development of copyright law and to its impact on the dissemination of knowledge. The Second Circuit, to which any appeal here would be taken, of course is a jurisdiction coordinate to that of the Eleventh Circuit. In the event of a circuit conflict, the matter likely would go to the Supreme Court. A decision on the merits here thus would promote the development of the law on this important point. (emphasis added).
> Pet. App. at 68a-69a.

The conflict is real, manifest and overt. The Second Circuit has expressly refused to apply the rule announced by

Greenberg, the issues decided by both courts are the heart of the cases and are case-dispositive.

In *Tasini*, this Court clarified the unsettled question of when a publisher is privileged to reproduce and distribute digital versions of published collective works. The Second Circuit has now muddied the law by misinterpreting this Court's guidance and directly contradicting the judgment of the Eleventh Circuit on virtually identical facts.

The *Faulkner* court articulated the question as:

> [W]hether a print publisher of a collective work is privileged to use the individual contributions in a digital version where (a) the individual contributions are presented in the same contexts in which they appeared in print, and (b) the digital version contains also software or other materials that did not appear in the print version. *Id.*

Although answering both questions with a "yes," the *Faulkner* court failed to appreciate that the scope of additional materials added completely altered the character of the product. For example, the digital CNG 108 year product includes 1,295 more issues so that the original collective work to which the work was contributed is less than 0.00078% (because each issue also includes dozens if not hundreds of separate contributions) of the content of the new work. Each magazine is an even smaller part of subsequent editions of the CNG. The Second Circuit disregarded all the additional elements of the CNG which the Eleventh Circuit believed established the CNG is a new collective work.

The Second Circuit read *Tasini* as limiting the application of copyright protection for works contributed to collective works to their segregation from the whole of the original permissible products. The Second Circuit also erroneously read *Tasini* as sanctioning any database so long as it reproduced the freelance contributions in context. But although *Tasini* began its analysis by focusing on context

reproduction, this Court's analysis did not end there. The Second Circuit's error is so clear that it invites summary reversal.

The Second Circuit's decision is disharmonious with the language of the statute and the Congressional intent expressed in the House Reports, which *Tasini* expressly affirmed, and improperly expands publishers' rights at the cost of authors' rights in violation of both § 103(b) and § 201(c). In highlighting the effect of § 103(b), this Court said,

> So long as the pre-existing work remains out of the public domain, its use is infringing if one who employs the work does not have a valid license or assignment for use of the pre-existing work.... It is irrelevant whether the pre-existing work is inseparably intertwined with the derivative work." *Stewart v. Abend*, 495 U.S. 207, 223 (1990) (citations omitted). "One purpose is to 'preserve the author's copyright in a contribution' to a collective work." 533 U.S. at 497.

Tasini therefore refused to allow the "Publishers' encompassing construction of the § 201(c) privilege . . . [to] diminish the Authors' exclusive rights in the Articles." *Id.* at 499. But, the Second Circuit gave the "revision" privilege the encompassing construction *Tasini* had rejected.

Another purpose of § 201(c) is to permit "the freelancer to benefit from ... [a] demand" for "a freelance article ... in a new collection." *Id.* at 497. The CNG is undoubtedly a new collection; and NGS registered it as such. There is also great demand for that product as is evidenced by its sales. The Second Circuit Court has now ensured that freelancers will never benefit from that demand.

Section 201(c) is also intended "to enhance the author's position *vis-à-vis* the patron." *Id.* at 496 n. 3. But the Second Circuit Court marginalized that position to such an extent that the contributions created by hundreds of other

freelancers for the nation's premier photography magazine are now available free for the taking by the NGS and by any user of the CNG. It effectively stripped the protections given to freelancers by § 201(c) out of the United States Code.

The Second Circuit's decision frustrates the constitutional objectives of the Copyright Act and of Article 1, § 8, cl. 8 of the Constitution. The adverse affect on copyright's incentive system magnifies the importance of the issue raised. "[C]opyright's basic objective is creation...." *Metro-Goldwyn-Mayer v. Grokster*, ___ U.S. ___, 125 S.Ct. 2764, 2794 (2005). But an author will have little motivation to engage in the socially useful task of creation when she knows that, once she authorizes publication of her contribution in a collective work, publishers and their transferees are free to repeatedly exploit the contribution under the guise of the "revision" privilege.

The issue raised by this petition has been in dispute since at least 1993 [when *Tasini* was filed], and the confusion engendered by conflicting decisions of lower courts have wrecked havoc for over 12 years affecting authors' rights and causing huge financial losses, lost business opportunities, economic waste and stunting progress and development because authors and publishers alike are laboring under an uncertain climate. For example, products for schools and universities, research, scholarship and learning are not being developed because it is unclear what rights must be acquired.

The issue has consumed over $50 million in attorneys' fees, and consumes the resources of litigants and the courts, and will continue to until this Court makes clear the scope and parameters of the exercise of the privilege created by § 201(c). It is not an understatement that billions of dollars are at risk for business and millions of authors' works are likely to suffer a wasteful and irretrievable loss of rights if the issue presented is not resolved.

Other cases are stalled and no resolution is possible because even the courts which have ruled on the issue remain uncertain about whether their decisions are on solid ground.

For example, the *Auscape* and *Psihoyos* cases filed against NGS are stayed, and the lower court remains in doubt and is asking for this Court's guidance. Pet. App. at 10a.

Even NGS has gone on record as seeking a clarifying ruling from this Court:

> Given that the 11th Circuit ruled in favor of photographer Greenberg, Adamson [NGS's Executive Vice-President] says, "you have totally divergent views of the same statutory provision" in different courts. "We want the Supreme Court to hear it." "Until the law gets settled," he adds, "CNG will not go back on sale."[5]

Other publishers are also waiting for clear guidance about what they can and cannot do. Google, the Internet Web search engine, has made recent efforts to create a digital library of all books; an effort it has now suspended while issues raised by authors are resolved. Yahoo, another search engine just announced its launch of its digitizing books in conjunction with a number of Universities.[6] Similarly, *The New Yorker* magazine is soon to release past issues in digital form. When asked why it believes it can do so, *The New Yorker's* Edward Klaris, TCNY project director and also the magazine's general counsel explained,

> The New Yorker can publish the DVDs because of a Second Circuit Court of Appeals decision in March involving National Geographic, which put out a digital version of the "Complete National

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[5] Alex Beam, *It's a Case of Who Owns The Words*, BOSTON GLOBE, Oct. 4, 2005, 2005 WLNR 16062711.

[6] Katie Hafner, *In Challenge to Google, Yahoo Will Scan Books*, N.Y. TIMES, Oct. 3, 2005.

> Geographic" in 1997. "They were sued," Klaris says, "and the Second Circuit held that an image-based compilation in context, like theirs, was protected" by the Copyright Act. "As long as you maintain the integrity of your collected work, you can publish it in any medium. We have a copyright on that package."[7]

Clearly *The New Yorker's* spokesperson is mistaken and this Court has not so ruled, but when a sophisticated publisher such as *The New Yorker* can be confused about this court's rulings, imagine the turmoil that the rest of the world is experiencing.

The dispute is in high focus and the record is fully developed; a decision is needed now and no better opportunity is likely to come available where two circuits are split on the same product.

This important issue is affecting authors and business beyond just the litigants in these cases. As this Court quoted approvingly, a letter from the Register of Copyrights warned that "'freelance authors have experienced significant economic loss' due to a 'digital revolution that has given publishers [new] opportunities to exploit authors' works.'" *Tasini*, *supra*, 533 U.S. at 497 n. 6 (brackets in original). The decision below gives publishers even more opportunities to exploit those works. The publishing industry is centered in New York, which is within the Second Circuit. Thus, virtually the entire publishing industry will be guided by the Second Circuit's erroneous interpretation of the publisher's privilege, while the Eleventh Circuit's correct interpretation of the privilege will be largely ignored.

The Second Circuit's decision grants rights to publishers depriving authors while the Eleventh Circuit's rule preserves authors' rights limiting publishers' ability to exploit

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[7] Alex Beam, *It's a Case of Who Owns The Words*, BOSTON GLOBE, Oct. 4, 2005, 2005 WLNR 16062711.

works without future payment to the contributing authors. This conflict breeds forum shopping and more inconsistent rulings. "Congress' paramount goal in revising the 1976 [Copyright] Act" was to enhance "predictability and certainty of copyright ownership," *Community For Creative Non-Violence v. Reid*, 490 U.S. 730, 749 (1989). But there can be no predictability or certainty when one circuit approves the very product another condemns.

A publisher's copyright in this country operates nationally. It needs a uniform binding rule of law regarding the scope and application of the "revision" privilege to databases which combine in-context reproductions of massive amounts of publications together with multimedia elements, interactive gadgets and advertisements. It is important to have a precedent capable of being understood and applied consistently to guide the orderly progress of the useful arts. U.S. CONST. art. I, § 8, cl. 8.

This Court can easily clarify its *Tasini* decision and put to rest the question of whether *Greenberg's* approach and analysis was inconsistent with or precluded by that decision. This Court can make clear the scope of the privilege created by § 201(c) and what a publisher can and cannot do in re-using contributions to an earlier collective work.

I. THIS COURT'S *TASINI* DECISION DID NOT SO SUBSTANTIALLY DEPART FROM THE *GREENBERG* ANALYSIS THAT IT REPRESENTS AN INTERVENING CHANGE IN LAW FORECLOSING APPLICATION OF *COLLATERAL ESTOPPEL*

The Second Circuit therefore gave the NGS another bite at the apple, refusing to apply the well-established doctrine of *collateral estoppel* because it believed that this Court's *Tasini* decision so substantially departed from the *Greenberg* analysis that *Greenberg* was no longer valid law. Had the court realized that the *Tasini* and *Greenberg*

decisions are wholly consistent and reconcilable, it would have been obliged to grant summary judgment to Petitioners because NGS has already litigated and lost the argument.

It is important for this Court to explain that *Tasini* and the Eleventh Circuit's *Greenberg* decision are not inconsistent. The inquiry presented by 17 U.S.C. § 201(c) is a two-part one: (1) when is a work a "revision," and (2) how can a contributed work be presented in a republication? *Tasini* answered these questions. The Second Circuit misperceived those answers.

The Supreme Court held that a contribution's context must be preserved in the reproduction *and* that the product in which the contribution was republished must be a republication of the original collective work in which the contributed work initially appeared, a "revision" of that original collective work or another issue the series in the case of periodicals. A "new" or "other" product could not be created using republications of works contributed to the original collective work. The Court said,

> Under § 201(c), the question is ... whether the database itself perceptibly presents the author's contribution **as part of** a revision of the collective work. (emphasis added). *Tasini*, 533 U.S. at 486.

This Court repeatedly stated that an analysis of the whole product wherein the contributions are being used and its relationship to the contribution and the original collective work must be made:

> One might view the articles as parts of a new compendium -- namely, the entirety of works in the Database. In that compendium, each edition of each periodical represents only a minuscule fraction of the ever-expanding Database. The Database no more constitutes a "revision" of each constituent edition than a 400-page novel quoting a sonnet in passing

> would represent a "revision" of that poem. "Revision" denotes a new "version," and a version is, in this setting, a "distinct form of something regarded by its creator or others as one work." Webster's Third New International Dictionary 1944, 2545 (1976). The massive whole of the Database is not recognizable as a new version of its every small part. Alternatively, one could view the Articles in the Databases "as part of" no larger work at all, but simply as individual articles presented individually. *Id.* at. 500.

This Court explicitly held that the preservation of context of the original collective work would not be sufficient to make their republication in a new product a privileged "revision":

> Those Databases simply cannot bear characterization as a "revision" of any one periodical edition. We would reach the same conclusion if the Times sent intact newspapers to the Electronic Publishers.... It suffices to hold that the Databases do not contain "revisions" of the Print Publishers' works "as part of" which the Articles are reproduced and distributed. (emphasis added). *Id.* at 501 n. 9

While this Court sought to give clear guidance to publishers and to the subordinate courts, its message was lost on the Second Circuit.

> A newspaper or magazine publisher is thus privileged to reproduce or distribute an article contributed by a freelance author, absent a contract otherwise providing, only "as part of" any (or all) of three categories of collective works: (a) "that collective work" to which the author contributed her work, (b) "any revision of that collective work," or (c) "any later collective work in the same series." In accord

> with Congress' prescription, a "publishing company could reprint a contribution from one issue in a later issue of its magazine, and could reprint an article from a 1980 edition of an encyclopedia in a 1990 revision of it; the publisher could not revise the contribution itself or include it in a new anthology or an entirely different magazine or other collective work." H.R. Rep. 122-123, U.S.Code Cong. & Admin.News 1976, pp. 5659, 5738. (emphasis added) *Id.* at 496.

In-context reproduction was just the first step in *Tasini's* analysis. In *Tasini*, this Court noted,

> It would scarcely 'preserve the author's copyright in a contribution' as contemplated by Congress, if a newspaper or magazine publisher were permitted to reproduce or distribute copies of the author's contribution in isolation **or** within new collective works. (emphasis added) *Id.* at 484.

The Eleventh Circuit evaluated both whether the contribution's context was being maintained and whether the new work was a "revision" or an "entirely new work," just as this Court directed in *Tasini*. The Eleventh Circuit held the CNG was not a privileged "revision" despite its preservation of context because it constituted another collective work composed of the Sequence, the Replica, and the Program.

> ... common sense copyright analysis compels the conclusion that the Society, in collaboration with Mindscape, has created a new product ('an original work of authorship'), in a new medium, for a new market that far transcends any privilege of revision or other mere reproduction envisioned in § 201(c). *Greenberg*, 244 F.3d at 1273.

Just as"[t]he massive whole of the Database is not recognizable as a new version of its every small part" in *Tasini*, 533 U.S. at 485, the massive whole of the CNG is not recognizable as any single issue of the NGM print magazine, revision or new version of it.

The Second Circuit failed to evaluate the relationship between the massive new collective work with the original collective work. It, instead, focused solely on how the individual contribution was ultimately presented to the end user. This runs contrary to the express limitations of § 201(c) to that intended by Congress, as recognized by this Court in *Tasini*.[8]

As the Eleventh Circuit recognized, "the statute grants to the Society 'only [a] privilege,' not a right. Thus, the statute's language contrasts the contributor's 'copyright' and 'any rights under it' with the publisher's 'privilege.' This is an important distinction that militates in favor of narrowly construing the publisher's privilege when balancing it against the constitutionally-secured rights of the author/contributor." *Greenberg*, 244 F.3d at 1272. The Second Circuit improperly construed the statute to find the § 201(c) privilege applies in all cases where the contribution appears in context of the original publication, even when it is part of a new collective work.

The Second Circuit went out of its way to find a conflict and to refuse to make an effort to reconcile the *Tasini* and *Greenberg* cases, Pet. App. at 15a-21a. It should have made every effort to find a basis for reconciling those decisions and avoiding conflict. *State Oil Co. v. Khan*, 522 U.S. 3 (1997); *Bach v. Pataki*, 408 F.3d 75 (2d Cir. 2005).

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[8] The Second Court of Appeals described the Databases in *Tasini* as containing "new antholog[ies] of innumerable" editions or publications, but they do not qualify as "revisions" of particular editions of periodicals in the Databases. *Tasini v. New York Times*, 206 F.3d 161, 169 (1999 as amended 2000)

If, as Petitioners' believe, *Tasini* and *Greenberg* are consistent and reconcilable, then *collateral estoppel* should have resolved this case immediately.

Petitioners respectfully request this Court confirm that *collateral estoppel* is applicable because *Tasini* did not alter the legal landscape for assessing whether 17 U.S.C. § 201(c) applies, after *Greenberg*.

II. *TASINI* DID NOT ESTABLISH ONLY ONE PERMISSIBLE ANALYTICAL FRAMEWORK FOR DECIDING WHETHER A PARTICULAR WORK IS A PRIVILEGED "REVISION" UNDER 17 U.S.C. § 201(c)

The Second Circuit erroneously believed that it could apply only one analytical framework for determining whether a particular republication was permitted under *Tasini*. Nowhere in this Court's decision did it limit the means or method for determining whether a contributed work was being republished in a "revision" of the original collective work in which it appeared.

Unfortunately, the Second Circuit compounded its mistake that only one analytical framework could be used with its erroneous belief that "context" was all that needed to be preserved. This Court now has the opportunity to clear up the Second Circuit's misunderstanding.

III. THE DISTRICT COURT AND THE SECOND CIRCUIT IMPROPERLY DETERMINED THE FACTUAL QUESTION OF WHETHER THE MATERIALS ADDED MERELY REVISED OR SO SUBSTANTIALLY ALTERED EACH (AND EVERY) ISSUE OF THE NGM MAGAZINE SO AS TO TRANSFORM IT INTO A WHOLLY NEW AND DIFFERENT WORK/PRODUCT

To the extent reasonable minds may differ about

whether a collective work in which previously published contributions are republished is a mere "revision" or an entirely new work by virtue of materials added or any other change in character, that determination must be reserved to the trier of fact. The Second Circuit glossed over this key point without discussion. On summary judgment, all facts and inferences were required to be drawn in Petitioners' favor. *United States v. Diebold*, 369 U.S. 654, 655 (1962). As such, the District Court should never have decided the hotly contested issue of the nature of the CNG; i.e., as a "revision" or a new work, and the Second Circuit was wrong to affirm.

IV. 17 U.S.C. § 201(c) HAS NO APPLICATION WHERE CONTRIBUTING AUTHORS AND PUBLISHERS ENTERED INTO WRITTEN CONTRACTS AND IT WAS INCUMBENT UPON COLLECTIVE WORKS PUBLISHERS TO EXPRESSLY SECURE THE PUBLICATION RIGHTS LICENSES THEY WANTED

The Second Circuit summarily disposed of the fact that the parties never negotiated or contracted for or included digital rights, which did not exist. The Second Circuit stated,

> Therefore, even if the Faulkner appellants harbored an intent to limit publication rights to a non-digital format, their failure to negotiate for pertinent contractual provisions or even to communicate these intentions to NGS is fatal to their claim. Accordingly, the contracts in question do not bar defendants from exercising their Section 201(c) privilege. Pet. App. at 25a.

The notion that Petitioners should have anticipated a world in which their images and texts could be hurled about the earth with such speed and ease with an unrestricted

license to duplicate and further negotiated licenses with express reference to such an unimagined possibilities is simply unheard of and unfair.

Was it incumbent upon contributing authors to expressly limit publication rights licenses or was it incumbent upon collective works publishers to expressly secure the publication rights licenses they wanted? Congress and this Court have addressed this issue.

Section 201(c) creates a privilege only in cases where no contract between the parties transfers some copyright interest. If any such contract exists, the transaction is exempt from the scope of § 201(c). *Tasini*, 533 U.S. at 496. "Publishers and authors are free to contract around the statutory framework." *Tasini v. New York Times*, 206 F.3d 161, 170, (2d Cir. 2000, as amended).

In *Tasini*, Justice Ginsburg explained,

> Section 201(c) both describes and circumscribes the "privilege" a publisher acquires regarding an author's contribution to a collective work:
>
> A newspaper or magazine publisher is thus privileged to reproduce or distribute an article contributed by a freelance author, absent a contract otherwise providing, only "as part of" any (or all) of three categories of collective works.... 533 U.S. at 496 (emphasis added).

In other words, consistent with § 103(b), the author retains all rights except those explicitly provided by contract. Section 201(c) did not diminish the rights which "vest initially in the author" under § 201(c), or are expressly reserved to the author by § 103(b). Nor did § 201(c) impose a new burden upon authors to explicitly reserve rights in licenses they grant to others. It remains indisputable that licenses are always construed narrowly and in favor of

copyright owners, and no rights are presumed to have been licensed which are not expressly identified in the license. *Stewart v. Abend*, 495 U.S. 207, 248 (1990).

> Congress' adjustment of the author/publisher balance is a permissible expression of the "economic philosophy behind the [Copyright Clause]," i.e., "the conviction that encouragement of individual effort [motivated] by personal gain is the best way to advance public welfare." *Harper & Row, Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539, 558, 105 S.Ct. 2218, 85 L.Ed.2d 588 (1985) (*quoting Mazer v. Stein*, 347 U.S. 201, 219, 74).

As in *Tasini*, "Publishers do not here contend the Authors entered into an agreement authorizing reproduction of the Articles in the Databases." 533 U.S. at 499. More compellingly, unlike the situation in *Tasini* where the authors had no written contracts, NGS and the Petitioners entered into contracts which cannot be ignored. The Second Circuit's ruling is in conflict with this Court's pronouncements in *Tasini*, the statute and Congress' expressed purposes of encouraging and motivating authorship through preservation of author's rights and limiting publishers rights to exploit works with permission or compensation.

V. PRIVILEGES CREATED BY 17 U.S.C. § 201(c) ARE NOT TRANSFERABLE

The Second Circuit held that the publishers privilege is transferable. It did so without any analysis and without any authority. Its conclusion is contrary to the statutory framework of the Copyright Act and Congress' expressed intention of preserving most broadly the rights of authors. A well established body of case law also supports a narrow construction of the privilege created by § 201(c). Pet. App. at 21a-23a.

VI. THE AFFIRMED DISMISSAL OF KODAK SHOULD BE REVERSED

The Second Circuit affirmed the dismissal of the claim of contributory infringement against Kodak "... because there can be no contributory infringement absent actual infringement...." *Faulkner v. National Geographic Enterprises Inc.*, Pet. App. at 26a. The Second Circuit was wrong as to actual infringement, and so the claim against Kodak should be reinstated.

Kodak knew that its dealings with the NGS digital products intended to induce or encourage the direct infringements through its monetary payments for its cooperative advertising arrangements with NGS. Kodak profited from the distribution of infringing products by gaining advertising exposure and goodwill. Kodak also received thousands of copies of the infringing products, which it distributed to the public in violation of the Petitioners' rights to control the distribution of their works.

In the recent decision of *Metro-Goldwyn-Mayer v. Grokster*, ___ U.S. ___, 125 S.Ct. 2764 (2005), this Court confirmed the law of secondary copyright infringement liability when it said at 2776,

> One infringes contributorily by intentionally inducing or encouraging direct infringement, *see Gershwin Pub. Corp. v. Columbia Artists Management, Inc.*, 443 F.2d 1159, 1162 (C.A.2 1971), ... Although "[t]he Copyright Act does not expressly render anyone liable for infringement committed by another," *Sony Corp. v. Universal City Studios*, 464 U.S., at 434, these doctrines of secondary liability emerged from common law principles and are well established in the law, id., at 486 (Blackmun, J., dissenting); *Kalem Co. v. Harper Brothers*, 222 U.S. 55, 62- 63, 32 S.Ct. 20, 56 L.Ed. 92 (1911); *Gershwin Pub. Corp. v. Columbia Artists Management*, *supra*,

at 1162; 3 M. Nimmer & D. Nimmer, Copyright, § 12.04[A] (2005). (footnote omitted).

VII. IMMEDIATE REVIEW IS URGENTLY NEEDED

This Court's review is urgently needed. The Petitioners stand to lose the rights to their works. While production of the CNG was halted by the *Greenberg* case, the resumption of unauthorized reproduction and distribution is likely in the shadow of the *Faulkner* decision by the Second Circuit (Pet. App. A). NGS sold over $100 million in CNG disc products. *Greenberg* stopped further sales in the Eleventh Circuit, but *Faulkner* permits continued sales in the Second Circuit. The harm is not limited to sales; there will also be unlimited unauthorized distributions of the Petitioners' photographs and text works.

Finally, leaving the Second Circuit's decision intact also sends the wrong message to digital product users because it approves direct and secondary infringement. See *fn* 2 above. It is perhaps not surprising that the Respondents, who control over a century of NGS Magazines, will capitalize on the Second Circuit's ruling by trumpeting that their digital products are completely "legal" in the Second Circuit. Denying review thus erodes not only public perception of the value of photographs and text compositions, but also chips away at respect for the foundations of copyright law that the Framers believed critical to "motivate the creative activity" of authors and artists, *See Sony v. Universal City Studios*, 464 U.S. 417, 429 (1984), and to "induce release to the public of the product of their creative genius," *Id.* (internal quotation marks omitted).

Holding NGS responsible for its creation of this infringing product will not deny the public access to digital products, adversely impede the development of digital depositories of copyrighted works or prevent publishers from using technological advances to reproduce their collective

works in new media. Publishers are free to use freelance contributions in revisions of collective works in any medium they choose. They simply have to obtain permission to use them and pay for them.

Tasini noted that publishers had similarly warned that "[a] ruling for the Authors ... will punch gaping holes in the electronic record of history." 533 U.S. at 505. The Court rejected these and other "dire predictions" for reasons that are equally applicable here. *Tasini* stated that the parties "may enter into an agreement allowing continued electronic reproduction of the Authors' works; ... and if necessary the courts and Congress, may draw on numerous models for distributing copyrighted works and remunerating authors for their distribution." *Id.* *Tasini* concluded, "[i]n any event, speculation about future harms is no basis for this Court to shrink authorial rights Congress established in § 201(c)." *Id.* at 505-06. The same conclusion applies in this case.

CONCLUSION

The petition for a *writ of certiorari* should be granted.

Respectfully submitted,
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APPENDIX A

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

No. 04-0263-CV(L)

DOUGLAS FAULKNER, LOUIS PSIHOYOS, MATRIX INTERNATIONAL, INC., AS AGENT FOR ROGER HUTCHINGS, SARAH LEEN AND RICK RICKMAN, SALLY FAULKNER, DAVID HISER, DAVID G. ALLEN, AS SUCCESSOR AND INTEREST TO ARTHUR ALLEN, RICHARD CONNIFF, JON KRAKAUER, JOHN KNOEBBER, ELIZABETH ROYTE, JOE BARABAN, PAMELA WILSON SARTORELLI, DORANNE JACOBSON, JEROME JACOBSON, DAVID ROBERT AUSTIN, AND FRED WARD, PLAINTIFFS-APPELLANTS,

v.

NATIONAL GEOGRAPHIC ENTERPRISES INC., DATAWARE TECHNOLOGIES INC., NATIONAL GEOGRAPHIC SOCIETY, NATIONAL GEOGRAPHIC INTERACTIVE, EASTMAN KODAK CO., AND NATIONAL GEOGRAPHIC HOLDINGS, INC., DOING BUSINESS AS NATIONAL GEOGRAPHIC INTERACTIVE, DOING BUSINESS AS NATIONAL GEOGRAPHIC ENTERPRISES INC., DEFENDANTS-APPELLEES.

Appeal from the United States District Court
for the Southern District of New York

Argued: Oct. 27, 2004.
Decided: March 4, 2005.

Before: WINTER, KATZMANN, and RAGGI,
Circuit Judges.

OPINION OF THE COURT

WINTER, Circuit Judge.

Appellants are freelance photographers and authors whose photographs and/or written works were originally published in various issues of the National Geographic Magazine. These photographs and writings have now been published in "The Complete National Geographic" ("CNG"), a digital collection of the past issues of the Magazine that offers users various means of searching, viewing, and displaying pages of these issues. Appellants and their representatives brought copyright infringement actions under the Copyright Act of 1976, as amended, 17 U.S.C. § 101 et seq. ("Act"), and the Copyright Act of 1909 ("1909 Act"), against various defendants listed in the margin.[1] The district court granted summary judgment

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[1] These defendants are: the National Geographic Society ("NGS"); National Geographic Holdings, Inc. ("Holdings"); National Geographic Ventures ("NGV"), National Geographic Interactive ("Interactive"); National Geographic Enterprises, Inc. ("NGE"); Mindscape, Inc. ("Mindscape"); Dataware Technologies, Inc.

in favor of defendants.

Although a number of issues are raised and resolved on this appeal, the principal questions are whether the district court erred in not applying the doctrine of collateral estoppel to give *Greenberg v. National Geographic Society*, 244 F.3d 1267 (11th Cir.2001), preclusive effect, and in finding the CNG to be a privileged revision under Section 201(c) of the Copyright Act. We agree with the district court. The decision in *New York Times Co. v. Tasini*, 533 U.S. 483, 488, 121 S.Ct. 2381, 150 L.Ed.2d 500 (2001), represented an intervening (post-*Greenberg*) change in law precluding the application of collateral estoppel, and the CNG is a revision for Section 201(c) purposes. We also resolve the other issues against appellants, and therefore affirm, except for issues relating to seven photographs that were subject to express contractual provisions preserving electronic rights in the copyright owners. As to those, we reverse and remand.

BACKGROUND

National Geographic Magazine ("the Magazine") is the monthly publication of the National Geographic Society ("NGS"). In addition to being sold in single bound paper copies, it has been sold in microform format for decades. At different times, NGS has also sold compiled, bound, paper volumes containing multiple issues of the Magazine. Since 1962, NGS has granted rights to the Library of Congress to publish a Braille edition of the Magazine. In 1996, NGS undertook a project to reproduce in CD-ROM

("Dataware"); and Eastman Kodak Company ("Kodak").

format all issues of the Magazine published from its founding in 1888 to 1996. In 1997, NGS produced and began to sell the product, "The Complete National Geographic: 108 Years of National Geographic Magazine on CD-ROM." It was the first of many iterations of the CNG sold.[2]

The CNG was produced through digital scanning. Each issue of the magazine was scanned two pages at a time into a computer system. As a result, the CNG user sees exactly what he or she would see if viewing an open page of the paper version, including the fold of the magazine. Because of some contractual arrangements excluding electronic reproduction, approximately 60 out of 180,000 images have been blacked out in some iterations of the CNG. None of these images are at issue in this case. Except for the blacked-out images, there are no changes in the content, format, or appearance of the issues of the

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[2] The Society has published the following additional CNG products: "The Complete National Geographic: 109 Years of National Geographic Magazine on CD-ROM"; "The Complete National Geographic: 109 Years of National Geographic Magazine on DVD"; "The Complete National Geographic: 110 Years of National Geographic Magazine on CD-ROM"; "The Complete National Geographic: 110 Years of National Geographic Magazine on DVD"; "The Complete National Geographic: 111 Years of National Geographic Magazine on CD-ROM"; "The Complete National Geographic: 112 Years of National Geographic Magazine on CD-ROM"; decade sets of the CNG containing issues of the Magazine from various decades in its history in CD-ROM format; a 30 year set containing 30 years of Magazine issues; a Curriculum Supplement including a CNG CD-ROM disk for 1997, a teacher's guide, and instructional materials; and individual CD-ROM discs sold with the intent of allowing users of earlier iterations of the CNG to add subsequently published issues of the Magazine as they became available.

magazine.[3] The pages appear as they do in the print version, including all text, photographs, graphics, advertising, credits and attributions. Issues of the Magazine appear chronologically with the first issue published appearing at the beginning of the first disk and the last appearing at the end of the last disk. The individual images and texts are therefore viewed in a context almost identical--but for the use of a computer screen and the power to move from one issue to another and find various items quickly--to that in which they were originally published.

Because the scanning process does not replicate the high resolution found in the paper magazines, the digital images may appear slightly fuzzy when compared to the high resolution of the original. PicTools Development Kit ("PicTools"), an image compression and decompression tool, compresses the scanned images onto the disc for increased storage and expands them back to their original size when the images are accessed on the CDs. PicTools is a copyrighted storage mechanism. It does not add any creative elements to the Magazines.

Stories can be retrieved through the table of contents of each magazine or by using an electronic search engine. The search engine allows a user to find stories containing certain words or phrases within the texts of articles; descriptions of articles, including title, contributors, date, and major related subjects; advertisements; cover and

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[3] It should be noted that during some time periods of its publication, for each issue of the Magazine, regional issues were published containing somewhat different advertising. The CNG contains only one of each issue, not all of the regional issues.

page images; and page maps. To view a particular story, a user must insert the disk containing the issue in which the story appeared.

Each iteration of the CNG contains introductory and conclusory material. At the beginning of each disk of the first iteration of the CNG, CD-ROM 108, a series of multimedia sequences appears. It begins with a moving display of the NGS logo followed by a Kodak advertisement, and then a sequence depicting the digital transition of ten Magazine covers into each other (the "Moving Cover Sequence"). These multimedia sequences play the first time a user boots up the CNG and at the beginning of each subsequent session. During subsequent sessions, however, the user can skip the introductory sequence by clicking on it with the mouse. A graphic display depicting moving spines of the issues of the magazines (the "Moving Spines Sequence") followed by credits is displayed when the CNG program is exited. The subsequent iterations contain similar or identical multimedia sequences. Additional multimedia tools such as the capability to bookmark and rotate pages and darken text have been added to some subsequent iterations.

NGS is a nonprofit organization that produces the Magazine. The other defendants, *see* Note 1, *supra*, are sued as a result of their relation both to NGS and the CNG. In 1995, NGS placed its television division, and subsequently its interactive and a portion of its cartography divisions, in taxable for-profit wholly owned subsidiaries. Holdings, NGV, NGE, and Interactive were such wholly-owned taxable subsidiaries. NGV, before its dissolution, wholly owned NGE. Interactive was a

division of NGE.[4] By a license agreement, NGS gave NGV non-exclusive rights to its copyrights in the Magazine for the development and use in "multimedia" products. The rights granted were for reproduction only in archival form and without alteration. Other parties and their relationship to the CNG are described in the margin.[5]

Eastman Kodak, a manufacturer and developer of film and camera equipment, entered into an agreement to pay a fee to Interactive. In return, Eastman Kodak obtained the right to place a promotional message at the beginning

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[4] Holdings, Interactive, and NGE are now the same wholly-owned subsidiary of NGS, incorporated as NGHT, Inc.

[5] Mindscape was a computer software publisher and distributor that entered into an agreement with NGE to manufacture, market, and distribute the CNG. NGE's division, Interactive, authorized Mindscape to manufacture, market and distribute the CNG, subject to Interactive's approval, in return for the receipt of royalties from the sale of the CNG. The agreement did not grant Mindscape any rights in the individual works of photographers and authors. It did, however, authorize Mindscape to sub-license the CNG to multiple tiers of sublicensees. Mindscape mass-marketed the CNG through retail outlets and internet websites. It has also contracted with original equipment manufacturers to bundle the CNG with their computer hardware and sell the products as a single unit. Mindscape has been dissolved and no longer exists. In 2001, Encore Software succeeded Mindscape as the distributer of the CNG.

Dataware was a developer of interactive software designed for information retrieval and electronic publishing applications. Dataware entered into an agreement with Interactive to participate in the design and to manage development of the CNG. Dataware is in bankruptcy and accordingly this action is stayed as against it. *See Faulkner v. Nat'l Geographic Soc'y*, 294 F.Supp.2d 523, 526 n. 9 (S.D.N.Y.2003).

of the CD-ROM Disks as well as on the outside of the CNG product packaging. It also received 5,000 complimentary units of CD-ROM 108.

In 1997, the CNG project was presented to and approved by the Society's Board of Trustees. One trustee was former United States Court of Appeals Judge Leon Higginbotham, now deceased. He had at one time been a partner with Judge Kaplan in the New York law firm of Paul, Weiss, Rifkin, and Garrison.

After gaining Board approval, NGS registered the CNG with the Copyright office. Its registration form states that the CNG is a "compilation of pre-existing material primarily pictorial" and that additional material added to it is a "brief introductory audiovisual montage."

The CNG was originally distributed and marketed as an "unprecedented" collection. Some of the marketing materials urge consumers to print "any article or photograph." In addition, in some copies of the CNG marketed by Encore Software, an End User License Agreement is included which states that, "[a]s a user of this product, you are free to use, modify and publish the Images as you wish" and "incorporate any Image(s) into your own original work and publish, display and distribute your work in any media."

In response to the production and marketing of the CNG, various contributors to the magazine or their representatives filed actions against some or all of the following defendants: NGS, NGE, Interactive, Mindscape, Kodak, and Dataware for copyright infringement. *Greenberg v. National Geographic Society* was filed on December 5, 1997 in the Southern District of

Florida. *Faulkner v. National Geographic Society* was filed on December 19, 1997 in the Southern District of New York. *Ward v. National Geographic Society*, was filed on December 27, 1999 in the Southern District of New York. *Hiser v. National Geographic Society* was filed on December 29, 1999 in the Southern District of New York. *Auscape v. National Geographic Society* was filed on January 31, 2002 in the Central District of California. It was transferred to the Southern District of New York on August 2, 2002. *Psihoyos v. National Geographic Society* was filed on March 7, 2002 in the District of Colorado. It was transferred to the Southern District of New York on August 9, 2002. All cases filed in or transferred to the Southern District of New York were assigned to Judge Kaplan.

Greenberg was the only case not filed in, or transferred to, the Southern District of New York. On June 8, 1999, the Florida district court granted summary judgment for defendants with regard to the copyright claims. On March 22, 2001, the Eleventh Circuit reversed. *Greenberg v. Nat'l Geographic Soc'y*, 244 F.3d 1267, 1268 (11th Cir.2001). The Supreme Court denied certiorari on October 12, 2001. *Nat'l Geographic Soc'y v. Greenberg*, 534 U.S. 951, 122 S.Ct. 347, 151 L.Ed.2d 262 (2001).

In the Southern District of New York, defendants filed motions to dismiss and for summary judgment in *Faulkner*, *Ward*, and *Hiser* in March, 2001. Ward cross-moved for summary judgment. Judge Kaplan issued two opinions ("the 1909 Act Opinions") on July 13, 2002. *Ward v. Nat'l Geographic Soc'y*, 208 F.Supp.2d 429 (S.D.N.Y.2002); *Faulkner v. Nat'l Geographic Soc'y*, 211 F.Supp.2d 450 (S.D.N.Y.2002). The court held that issues of fact precluded entry of summary judgment for

defendants with regard to some of the infringement claims. It also dismissed the claim brought by some plaintiffs against Kodak for contributory infringement. *Id.* at 473-75.

On April 11, 2002, defendants again filed motions to dismiss and for summary judgment in *Ward*, *Faulkner* and *Hiser*; the plaintiffs in those actions also moved for summary judgment. Defendants filed a motion to dismiss and for summary judgment in *Psihoyos* on May 20, 2003. The district court granted defendants' motions for summary judgment in *Ward*, *Faulkner*, *Hiser*, and *Psihoyos* on December 11, 2003 under Rule 54(b). *Faulkner v. Nat'l Geographic Soc'y*, 294 F.Supp.2d 523 (S.D.N.Y.2003). It held that the CNG was a privileged revision under Section 201(c), and, therefore, defendants did not infringe plaintiffs' copyright in publishing their underlying works in the CNG. *Id.* at 543.

The Faulkner and *Hiser* plaintiffs moved for reconsideration on the grounds that the Court erred as a matter of law and should have recused itself. The recusal motion was based on: (i) Judge Kaplan's disclosure to the litigants, in a letter dated November 24, 2003, that he had just discovered Judge Higginbotham's role in NGS; and (ii) the subsequent discovery that while in private practice, Judge Kaplan had represented a subsidiary of defendant Eastman Kodak. The motion was denied on December 23, 2003, *Faulkner v. Nat'l Geographic Soc'y*, 296 F.Supp.2d 488 (S.D.N.Y.2003) ("Recusal Order"), and a final judgment entered. The *Auscape* suit remains pending.

At issue on this appeal are the judgments entered against the *Faulkner*, *Ward*, *Hiser*, and *Psihoyos*

plaintiffs. Plaintiffs from *Faulkner* and *Hiser*, ("Faulkner appellants") appeal the final orders in: (i) *Faulkner v. National Geographic Society*, 211 F.Supp.2d 450 (S.D.N.Y. July 13, 2002); (ii) *Faulkner v. National Geographic Society*, 220 F.Supp.2d 237 (S.D.N.Y. September 4, 2002); (iii) *Faulkner v. National Geographic Society*, 294 F.Supp.2d 523 (S.D.N.Y. December 11, 2003); and (iv) *Faulkner v. National Geographic Society*, 296 F.Supp.2d 488 (S.D.N.Y. December 23, 2003). Fred Ward appeals only the December 11, 2003 order's grant of summary judgment to defendants dismissing all of his copyright claims. Plaintiffs from *Psihoyos* ("Psihoyos appellants") also appeal only the December 11, 2003 order's grant of summary judgment to defendants dismissing all of their copyright claims.

DISCUSSION

We review a district court's grant or denial of summary judgment *de novo*, viewing the evidence in the light most favorable to the non-moving party. *United States v. Collado*, 348 F.3d 323, 326-27 (2d Cir.2003). Summary judgment is only appropriate if, based on the pleadings and evidentiary submissions, there is no genuine material issue of fact and the moving party is entitled to judgment as a matter of law. *Celotex Corp. v. Catrett*, 477 U.S. 317, 322-23, 106 S.Ct. 2548, 91 L.Ed.2d 265 (1986). We review a district court's decision regarding offensive non-mutual collateral estoppel *de novo*. *S.E.C. v. Monarch Funding Corp.*, 192 F.3d 295, 303 (2d Cir.1999). We review the denial of a motion to recuse under 28 U.S.C. § 455 for abuse of discretion. *In re Aguinda*, 241 F.3d 194, 200 (2d Cir.2001).

a) *Legal Background*

Copyright subsists in "original works of authorship." 17 U.S.C. § 102(a). Copyright in a work vests initially in the author or authors of the work. *Id.* § 201(a). A compilation is an original work formed by selecting, coordinating, and arranging preexisting materials. *Id.* § 101. A compilation includes collective works, which are defined as "work[s], such as a periodical issue, anthology, or encyclopedia in which a number of contributions, constituting separate and independent works in themselves, are assembled into a collective whole." *Id.* The copyright in a compilation or derivative work extends only to materials contributed by the compiling author. *Id.* § 103(b). A copyright in a compilation or derivative work does not include an exclusive right in the preexisting material. *Id.* § 103(b). Section 201(c) of Title 17 provides:

> Copyright in each separate contribution to a collective work is distinct from copyright in the collective work as a whole, and vests initially in the author of the contribution. In the absence of an express transfer of the copyright or of any rights under it, the owner of copyright in the collective work is presumed to have acquired only the privilege of reproducing and distributing the contribution as part of that particular collective work, any revision of that collective work, and any later collective work in the same series.

Id. § 201(c). With regard to Section 201(c), the pertinent House Report noted:

> Under the language of this clause a publishing company could reprint a contribution from one issue in a later issue of its magazine, and could reprint an article from a

> 1980 edition of an encyclopedia in a 1990 revision of it; the ... publisher could not revise the contribution itself or include it in a new anthology or an entirely different ... magazine or other collective work.

H.R.Rep. No. 94-1476, at 122-123 (1976), *reprinted in* 1976 U.S.C.A.A.N. 5659, 5738.

"The unauthorized reproduction and distribution of a copyrighted work generally infringes the copyright unless such use is specifically protected by the Act." *Tasini v. New York Times Co.*, 206 F.3d 161, 165 (2d Cir.2000). In the instant matter, appellants created individual works that they submitted to NGS for use in the Magazine, a collective work. In their view, CNG's inclusion of their individual contributions infringes their copyright. Appellees believe that such use was specifically protected by the Act as a revision of the Magazine under 17 U.S.C. § 201(c).

Three decisions interpreting Section 201(c) are of paramount importance to the resolution of the issue. They are *Tasini v. New York Times Co.*, 206 F.3d 161 (2d Cir.2000); its affirmance in *New York Times Co. v. Tasini*, 533 U.S. 483, 121 S.Ct. 2381, 150 L.Ed.2d 500 (2001); and, of course, *Greenberg v. National Geographic Society*, 244 F.3d 1267 (11th Cir.2001), a decision involving the CNG itself. We now address those decisions in some detail.

In *Tasini*, we held that electronic and CD-ROM databases containing individual articles from multiple editions of various periodicals did not constitute "revisions" of individual periodical issues within the meaning of Section 201(c). 206 F.3d at 168. Crucial to our

decision was the fact that each article had to be retrieved individually from the particular database and made "available without any material from the rest of the periodical in which it first appeared." *Id.* at 164. We also noted that "[t]he aspects of a collective work that make it 'an original work of authorship' are the selection, coordination, and arrangement of the preexisting materials," and that the means of retrieval employed by the databases did "almost nothing to preserve the copyrightable aspects of the Publishers' collective works, 'as distinguished from the preexisting material employed in the work.' " *Id.* at 168 (quoting 17 U.S.C. § 101 and 17 U.S.C. § 103(b)).

The Supreme Court affirmed *Tasini*, holding,

> [i]n agreement with the Second Circuit, ... that § 201(c) does not authorize the copying at issue here. The publishers are not sheltered by § 201(c), we conclude, because the databases reproduce and distribute articles standing alone and not in context, not "as part of that particular collective work" to which the author contributed, "as part of ... any revision" thereof, or "as part of ... any later collective work in the same series."

New York Times Co. v. Tasini, 533 U.S. at 488, 121 S.Ct. 2381 (alterations in original). The Supreme Court stressed that in enacting the 1976 revision, Congress "rejected the doctrine of indivisibility, recasting the copyright as a bundle of discrete 'exclusive rights,' 17 U.S.C. § 106 (1994 ed. and Supp. V), each of which 'may be transferred ... and owned separately,' § 201(d)(2)." *Id.* at 495-96, 121 S.Ct. 2381 (footnotes omitted). It explained:

> Copyright in the separate contribution "vests initially in the author of the contribution" (here, the freelancer). Copyright in the collective work vests in the collective author (here, the newspaper or magazine publisher) and extends only to the creative material contributed by that author, not to "the preexisting material employed in the work."

Id. at 494, 121 S.Ct. 2381 (quoting 17 U.S.C. §§ 201(c), 103(b)). Accordingly, the Court held that just as the author's copyright as contemplated by Congress would not be preserved by allowing a publisher "to reproduce or distribute copies of the author's contribution in isolation or within new collective works," it would not be preserved by allowing publishers to do so in electronic databases. *Id.* at 497, 121 S.Ct. 2381.

Importantly, the Court gave tacit approval to microfilm and microfiche as permissible Section 201(c) revisions, by contrasting that method of reproduction with the databases. It stated that "unlike microforms, the Databases do not perceptibly reproduce articles as part of the collective work to which the author contributed or as part of any 'revision' thereof." *Id.* at 501-02, 121 S.Ct. 2381. It pointed out that microforms "represent a mere conversion of intact periodicals (or revisions of periodicals) from one medium to another," whereas the Databases offered users articles in isolation absent their context in intact collective works. *Id.* at 502, 121 S.Ct. 2381.

The Supreme Court failed to adopt only one of the conclusions we reached in *Tasini*. It declined to pass on whether NEXIS, one of the databases at issue, "was

infringing partly because [it] did 'almost nothing to preserve the copyrightable aspects of the [Print] Publishers' collective works,' i.e., their original 'selection, coordination, and arrangement.' " *Id.* at 502 n. 10, 121 S.Ct. 2381 (quoting *Tasini*, 206 F.3d at 168). Instead the Court stated that "[i]t suffices to hold that the Databases do not contain 'revisions' of the Print Publishers' works 'as part of' which the Articles are reproduced and distributed." *Id.*

After our opinion in *Tasini*, but before the Supreme Court's affirmance, the Eleventh Circuit decided *Greenberg*. That decision addressed the application of Section 201(c) to a case virtually identical on the facts and law to the instant matter. Jerry Greenberg, a freelance photographer who had completed four assignments for NGS over 30 years, sued NGS, NGE, and Mindscape for copyright infringement. *Greenberg*, 244 F.3d at 1269-70. His suit was based on the use of his photos in the CNG as well as the use of one in the Moving Cover Sequence. *Id.* at 1269. The copyrights in the pictures, once held by NGS, had been returned to Greenberg in 1985 and 1990. *Id.*

Greenberg did not utilize the *Tasini* analysis in determining whether the CNG was a "revision" under Section 201(c). It did not discuss whether the articles were presented in the context of the previous collective works or mention our discussion in *Tasini*. Rather, *Greenberg* focused on a description of the CNG as consisting of three components, the moving cover sequence (the "Sequence"); the digitally reproduced issues of the Magazine (the "Replica"); and the computer program that stored and retrieved the images (the "Program"). *Id.* For the *Greenberg* court, the key issue

was what had been added to the digital reproductions of the Magazine. In that regard, it stated:

> Assuming *arguendo*, but expressly not deciding, that 201(c)'s revision privilege embraces the entirety of the Replica portion of the CNG (the 1,200 issues, as opposed to each separate issue of the Magazine), we are unable to stretch the phrase "that particular collective work" to encompass the Sequence and Program elements as well.
>
> ....
>
> ... [T]he CNG is an "other collective work" composed of the Sequence, the Replica, and the Program.... [T]he Society, in collaboration with Mindscape, has created a new product ("an original work of authorship"), in a new medium, for a new market that far transcends any privilege of revision or other mere reproduction envisioned in § 201(c).

Id. at 1272-73 (footnote omitted). Because each of the three components identified by the *Greenberg* court as comprising the CNG--the Sequence, the Replica, and the Program--were themselves copyrightable, that court concluded that NGS had created a new work in the CNG. *Id.* at 1273-74. Accordingly it reversed the district court's entry of summary judgment in favor of defendants. *Id.* at 1275-76. While declining to address whether adding only the Program would result in the creation of a new collective work, *Greenberg* noted that the existence of the Program differentiated the CNG from microfilm. *Id.* at 1273 n. 12.

Three weeks after the *Greenberg* decision, the Supreme Court affirmed our *Tasini* ruling. It subsequently denied the petition for a writ of certiorari filed by the defendants in *Greenberg*. *Nat'l Geographic Soc'y v. Greenberg*, 534

U.S. 951, 122 S.Ct. 347, 151 L.Ed.2d 262 (2001).

b) *Greenberg and Collateral Estoppel*

In the district court, appellants claimed that offensive collateral estoppel precluded appellees from litigating their Section 201(c) argument. The district court held that, because the Supreme Court's decision in *Tasini* determined that the key to whether a collective work is a revision is how the articles are "presented to, and perceptible by, the user of the Databases," that decision so altered the legal environment that a fresh look at the Section 201(c) revision issue was appropriate in the instant matter. *Faulkner*, 294 F.Supp.2d at 534, 538 (quoting *Tasini*, 533 U.S. at 499, 121 S.Ct. 2381). We agree.

Under the doctrine of offensive collateral estoppel, a plaintiff may preclude a defendant from relitigating an issue the defendant has previously litigated and lost to another plaintiff. *Parklane Hosiery Co. v. Shore*, 439 U.S. 322, 329, 99 S.Ct. 645, 58 L.Ed.2d 552 (1979). In order for a plaintiff to bar a defendant from litigating an issue on collateral estoppel grounds: "(1) the issues in both proceedings must be identical, (2) the issue in the prior proceeding must have been actually litigated and actually decided, (3) there must have been a full and fair opportunity for litigation in the prior proceeding, and (4) the issue previously litigated must have been necessary to support a valid and final judgment on the merits." *Gelb v. Royal Globe Ins. Co.*, 798 F.2d 38, 44 (2d Cir.1986). Use of collateral estoppel "must be confined to situations where the matter raised in the second suit is identical in all respects with that decided in the first proceeding and where the controlling facts and applicable legal rules remain unchanged." *Commissioner v. Sunnen*, 333 U.S. 591, 599-600, 68 S.Ct. 715, 92 L.Ed. 898 (1948).

Therefore, even where the specified elements of collateral estoppel are present, reexamination of a legal issue is appropriate where there has been a change in the legal landscape after the decision claimed to have preclusive effect. Restatement (Second) of Judgments § 28 (cmt. c). This is particularly so "when the application of the rule of issue preclusion would impose on one of the parties a significant disadvantage, or confer on him a significant benefit, with respect to his competitors .... because the essential problem is that there has been change in the law but not the facts." *Id.* Accordingly, in some situations, "a judicial declaration intervening between the two proceedings may so change the legal atmosphere as to render the rule of collateral estoppel inapplicable." *Sunnen*, 333 U.S. at 600, 68 S.Ct. 715 (footnote omitted).

As noted, *Greenberg* held that if a subsequent work contains independently copyrightable elements not present in the original collective work, it cannot be a revision privileged by Section 201(c). Several months later, however, the Supreme Court held in *Tasini* that the critical analysis focused on whether the underlying works were presented by the particular database in the context of the original works. For example, in a straightforward application of that analysis, it also strongly implied, by contrasting the database to microfilm, that microfilm would constitute a privileged revision. 533 U.S. at 501, 121 S.Ct. 2381. In our view, the *Tasini* approach so substantially departs from the *Greenberg* analysis that it represents an intervening change in law rendering application of collateral estoppel inappropriate. Our analysis is, of course, not affected by the Supreme Court's declination of certiorari in *Greenberg*. *See United States*

v. Carver, 260 U.S. 482, 490, 43 S.Ct. 181, 67 L.Ed. 361 (1923) (denial of certiorari "imports no expression of opinion upon the merits" of any given case).

c) *Section 201(c) and Tasini*

Turning to the merits, we hold that, because the original context of the Magazines is omnipresent in the CNG and because it is a new version of the Magazine, the CNG is a privileged revision.

" 'Revision' denotes a new 'version,' and a version is, in this setting, a 'distinct form of something regarded by its creator or others as one work.' " *Tasini*, 533 U.S. at 500, 121 S.Ct. 2381 (quoting Webster's Third New International Dictionary 1944, 2545 (1976)). "In determining whether the [underlying works] have been reproduced and distributed 'as part of' a 'revision' of the collective works in issue, we focus on the [underlying works] as presented to, and perceptible by, the user of the [CNG]." *Id.* at 499, 121 S.Ct. 2381 (citations omitted). The CNG presents the underlying works to users in the same context as they were presented to the users in the original versions of the Magazine. The CNG uses the almost identical "selection, coordination, and arrangement" of the underlying works as used in the original collective works. *Tasini*, 206 F.3d at 168. The CNG presents an electronic replica of the pages of the Magazine. Pages are presented two at a time, with the gutter (that is, the Magazine fold) in the middle, and with the page numbers in the lower outside corners, just as they are presented in the written format. In addition, the contents of the CNG, including the authors' contributions, are in the same positions relative to the other contributions in the Magazine. To be sure, a CNG user

can focus on particular pages or parts of pages. However, a user of a microfilm of a collective work can do the same thing, *see Tasini*, 533 U.S. at 501, 121 S.Ct. 2381, as, indeed can a reader of an original magazine by opening to a particular page. In contrast, the databases at issue in *Tasini* precluded readers from viewing the underlying works in their original context. *Id.* at 501-02, 121 S.Ct. 2381.

Moreover, because the Section 201(c) privilege of reproduction and distribution extends to that collective work and any revision of that collective work, a permissible revision may contain elements not found in the original--for example, a collection of bound volumes of past issues with a copyrightable index to the entire collection. *See Tasini*, 206 F.3d at 167 (Section 201(c) "protects the use of an individual contribution in a collective work that is somewhat altered."). *Tasini* is in that regard contrary to *Greenberg*. In the case of the CNG, some images found in the original version of the Magazines are blacked out, and it contains additional elements such as, among other things, the Moving Cover Sequence. However, these changes do not substantially alter the original context which, unlike that of the works at issue in *Tasini*, is immediately recognizable. The presentation does not, therefore, affect the CNG's status as a revision.

d) *Transferability of the Section 201(c) Privilege*

Appellants argue that the revision privilege is available only to NGS, as owner of the copyright in the original collective work, and that NGS cannot transfer its

privilege. We disagree.[6]

Prior to the Copyright Act of 1976, authors risked losing all rights in their underlying works when they allowed such works to be used in a collective work. *Tasini*, 206 F.3d at 168. To address this concern, the 1976 Act contained Section 201(c) and, in other provisions, "expressly permitted the transfer of less than the entire copyright, *see* 17 U.S.C. § 201(d), in effect replacing the notion of a single 'copyright' with that of 'exclusive rights' under a copyright." *Id.* To that end, Section 201(d) provides:

> (1) The ownership of a copyright may be transferred in whole or in part by any means of conveyance or by operation of law, and may be bequeathed by will or pass as personal property by the applicable laws of intestate succession.
>
> (2) Any of the exclusive rights comprised in a copyright, including any subdivision of any of the rights specified by section 106, may be transferred as provided by clause (1) and owned separately. The owner of any particular exclusive right is entitled, to the extent of that right, to all of the protection and remedies accorded to the copyright owner by this title.

17 U.S.C. § 201(d). The drafters intended that the Copyright Act of 1976 do "nothing to change the rights of the owner of copyright in a collective work" but that it merely clarify and improve an unfair legal situation by preserving an author's copyright in a contribution.

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[6] Because *Tasini* held that the publishers had no Section 201(c) privilege, the transferability issue was not addressed.

H.R.Rep. No. 94-1476, at 122 (1976), *reprinted in* 1976 U.S.C.A.A.N. 5659, 5738. Given that intention, it is more than reasonable to read Section 201(c) and 201(d) together to render the publisher's limited privilege under Section 201(c) to be transferrable under Section 201(d).

Section 201(c) transfers some of the copyright in a contribution to publishers in the form of a limited privilege. Section 201(d)(1) by its terms allows for a transfer of a copyright "in whole or in part." Section 201(d)(2) authorizes owners of "[a]ny of the ... rights ... in a copyright" to transfer such rights. Therefore, publishers may transfer any subdivision of a copyright that they acquire. *See Tasini*, 972 F.Supp. 804, 815-16 (S.D.N.Y.1997) (holding subdivisions of copyrights transferable), *rev'd on other grounds*, 206 F.3d 161 (2d Cir.2000). This result in no way undermines Section 201(c)'s goal of remedying the unfairness of indivisibility. It simply recognizes the quite natural implications of divisibility.

e) *Section 201(c) and the Pre-1978 Works*

The applicability of the revision privilege to the reproduction of works in the CNG must be addressed with regard to all the underlying works, including those originally published before 1978, when Section 201(c) went into effect. After some early wrestling with the issue of who owned the underlying copyrights in the pre-1978 works, the district court finally concluded that such ownership was irrelevant. In the final summary judgment order, it held that, because "at all relevant times [NGS] owned the copyrights in issues of the *Magazine* published before and after January 1, 1978 .... the privileges conferred upon it by Section 201(c) as the holder of those copyrights govern regardless of when

they were published." *Faulkner*, 294 F.Supp.2d at 543. The district court pointed out that the parties agreed that the extent of protection provided by Section 201(c) to publication of the CNG was the same whether NGS or the plaintiffs owned the underlying copyrights. *Id.* Accordingly, Section 201(c) privileged NGS to publish the CNG regardless of when or who owned the copyrights in the underlying works. *Id.* We agree and affirm.

f) *The Effect of Contractual Agreements Between the Parties*

The district court determined that in all but a few circumstances none of the contractual agreements between the parties overrode application of Section 201(c)'s default provisions. The Faulkner appellants argue that their contracts were "intended to grant NGS limited publication rights in paper format only," and accordingly the Section 201(c) privilege is not applicable. We again disagree.

The Faulkner appellants' first argument in this regard is based on the language of Section 201(c). That provision extends to publishers the privilege of reproducing and distributing underlying works as part of certain collective works "[i]n the absence of an express transfer of the copyright or of any rights under it" in the underlying work itself. 17 U.S.C. § 201(c). Most of the plaintiffs have written contracts with NGS, and the Faulkner appellants make the odd argument that, under the quoted language, the very existence of such contracts renders Section 201(c) inapplicable. However, the plain effect of the quoted language is only to establish the minimum rights acquired by publishers absent contractual provisions expressly overriding Section 201(c). In short, in the

absence of a contract stating otherwise, publishers acquire "*only* the privilege of reproducing and distributing the contribution as part of that particular collective work, any revision of that collective work, and any later collective work in the same series." *Id.* (emphasis added). The mere existence of contracts does not, therefore, render Section 201(c) inapplicable.

Moreover, the contracts of the Faulkner appellants do not purport to alter the effect of Section 201(c). Nevertheless, these appellants argue that the contracts were intended to limit publication rights to a non-digital format. The argument is unpersuasive. The transfer of a work from one medium to another generally does not alter its character for copyright purposes. *See* 17 U.S.C. § 102(a) (copyright protection subsists in original works "fixed in any tangible medium of expression"); *Tasini*, 533 U.S. at 502, 121 S.Ct. 2381 (describing "concept of 'media neutrality'"). Therefore, even if the Faulkner appellants harbored an intent to limit publication rights to a non-digital format, their failure to negotiate for pertinent contractual provisions or even to communicate these intentions to NGS is fatal to their claim. Accordingly, the contracts in question do not bar defendants from exercising their Section 201(c) privilege.

g) *Contributory Infringement Claims*

In one of its 1909 Act Opinions, the district court granted summary judgment to Kodak and dismissed the contributory infringement claim brought against it by some of the plaintiffs. *Faulkner*, 211 F.Supp.2d at 475. On appeal, the Faulkner appellants argue that this was error.

"[O]ne who, with knowledge of the infringing activity, induces, causes or materially contributes to the infringing conduct of another, may be held liable as a 'contributory' infringer." *Gershwin Publ'g Corp. v. Columbia Artists Mgmt., Inc.*, 443 F.2d 1159, 1162 (2d Cir.1971) (footnote omitted); *see also Matthew Bender & Co. v. West Publ'g Co.*, 158 F.3d 693, 706 (2d Cir.1998). Because Section 201(c) precludes a finding of copyright infringement, and because there can be no contributory infringement absent actual infringement, *id.*, dismissal of the claim against Kodak is affirmed.

h) *Individual Works by Ward and Psihoyos*

Appellants make some additional arguments about specific works. Ward argues that he owns the underlying copyrights for certain articles-- "Jade," "Computer Graphics," "Emeralds," "Coral Reefs," and "Rubies"--and for certain photographs or sets of photographs--"Fiber Optics," the "Pearls Stock Photo," the "Emeralds stock photo," and the "Kennedy photograph."[7] Because appellees were privileged under Section 201(c) to include contributions to which individuals owned underlying copyrights in the CNG, we affirm the district court's holding with respect to the specific works for which Ward argues he holds the underlying copyright.

Two photographs taken by plaintiff Psihoyos, the "Paul Sereno" and "Ford Styrofoam" images, were excepted

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[7] The court previously granted Ward summary judgment as to the "Kennedy" photograph in one of the 1909 Act Opinions. *Ward*, 208 F.Supp.2d at 448-49. It later withdrew summary judgment after holding that defendants were privileged to include the photograph in the CNG under Section 201(c). *Faulkner*, 294 F.Supp.2d at 543 n. 97.

from the district court's ruling due to contractual language expressly denying NGS any electronic rights and defendants' withdrawal of their motion to dismiss regarding those photographs. *Faulkner*, 294 F.Supp.2d at 531 n. 30, 549. In their brief, the Psihoyos appellants contend that factually there were a total of seven such photographs, four more taken by plaintiff Psihoyos--"Michael Novacek," "Information Technology," "T-Rex," and a photo appearing in the *Geographica* section of the magazine--and one by plaintiff Rickman--"Belly Flop". They request that we correct what must have been an inadvertent error by the district court.

Defendants respond that they do not object to excluding from the grant of summary judgment two of the five additional photographs, "Michael Novacek" and "Information Technology," both of which were identified in the papers submitted below. They oppose the exception of plaintiff Rickman's "Belly Flop" photograph because it was not previously identified to the district court. Presumably they also oppose exception of plaintiff Psihoyos's T-Rex photograph and his photograph that appeared in the *Geographica* section of the Magazine.[8] Because, in the declarations of Louis Psihoyos and Rick Rickman in support of plaintiffs' memorandum of law in opposition to defendants' motion to dismiss and for summary judgment, all of the above discussed photographs were identified as granting only limited use licenses to NGS, we find that they were properly

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[8] Appellants do not specifically identify the contributions that they believe should be excepted. We infer that they want us to except these two photographs because they were identified in the declarations submitted to the district court as having contractual language limiting reproduction to paper use only.

identified.[8] Accordingly, with respect to the "Michael Novacek," "Information Technology," "T-Rex," and "Belly Flop" photographs, as well as the photograph that appeared in the *Geographica* section of the Magazine,[9] we reverse.

h) *Recusal*

The Faulkner plaintiffs made a recusal motion based on Judge Kaplan's having practiced law with Judge Higginbotham, his hostility toward the Faulkner plaintiffs and their attorneys, and his past representation of a subsidiary of defendant Kodak. Judge Kaplan held that because movants raised the recusal issue only after he had ruled against them, they failed to raise the first two issues in a timely fashion and therefore waived any objection. *Faulkner*, 296 F.Supp.2d at 490. Nevertheless, Judge Kaplan addressed the merits of each basis for the motion and found recusal inappropriate because: (i) there was no suggestion that Judge Higginbotham served as a lawyer for the NGS while he and Judge Kaplan were in practice, but only served as a trustee; (ii) Judge Higginbotham could not have acted "concerning the matter" during the period when he and Judge Kaplan were in practice together because Judge Kaplan left the firm in August 1994, "well before the 1996 genesis of the [CNG]"; (iii) no affidavit, declaration, or deposition testimony given by Judge Higginbotham was part of the case, he never testified before Judge Kaplan, and his death precludes the possibility of any such occurrence in

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[9] The license for the *Geographica* photograph conferred "one-time reproduction rights" rather than denying electronic rights, but appellees have not argued that this distinction is legally relevant.

the future; and (iv) because he stopped practicing with Judge Higginbotham before the latter could have witnessed anything regarding the CNG, no knowledge he might have obtained could be imputed to Judge Kaplan. *Id.* at 490-91. Moreover, Judge Kaplan reasoned, even assuming that his representation of Sterling Drug, a Kodak subsidiary, was equivalent to representing Kodak, his representation of them in trademark litigation did not concern the matters at issue in this case. *Id.* at 491. Judge Kaplan also rejected plaintiffs' claim of hostility and bias because it was based only on his denial of their motion for class certification based on the Judge's view that they and their counsel could not adequately represent the class. *Id.* at 492-94. These Faulkner appellants appeal Judge Kaplan's denial of their recusal motion. We affirm.[10]

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[10] Given our disposition of the Faulkner appellants' claims, Judge Kaplan's denial of the recusal motion was at most harmless error as to them. *See Liljeberg v. Health Servs. Acquisition Corp.*, 486 U.S. 847, 862, 864, 108 S.Ct. 2194, 100 L.Ed.2d 855 (1988) (harmless error review applies to 28 U.S.C. § 455(a) violations; in determining whether judgment should be vacated on failure to recuse grounds, appellate court should consider (1) risk of injustice to parties in the particular case; (2) risk that denial of relief will produce injustice in other cases; and (3) risk of undermining public's confidence in the judicial process); *Parker v. Connors Steel Co.*, 855 F.2d 1510, 1526-27 (11th Cir.1988) (*Liljeberg* test applies on direct appeal to alleged Section 455(a) and (b) violations; failure to recuse harmless error where appellate court exercising plenary review concludes that district court's dismissal of case based on grant of summary judgment was proper); *Camacho v. Autoridad de Telefonos de Puerto Rico*, 868 F.2d 482, 490 (1st Cir.1989) (where appellate court independently confirmed correctness of lower court's decision, judge's refusal to recuse himself was harmless and moot, if error, but recusal addressed in order to explain that there was no error at all). We address the issue of recusal on the merits because we are remanding the case for further proceedings. Although the plaintiffs who are beneficiaries of

28 U.S.C. § 455(b)(2) provides that a judge shall disqualify himself "[w]here in private practice he served as lawyer in the matter in controversy, or a lawyer with whom he previously practiced law served during such association as a lawyer concerning the matter, or the judge or such lawyer has been a material witness concerning it." Judge Higginbotham did not serve as a lawyer or a material witness concerning the matter in issue. Judge Kaplan's representation of the Kodak subsidiary did not concern the matter in issue.

28 U.S.C. § 455(a) provides that "[a]ny justice, judge, or magistrate judge of the United States shall disqualify himself in any proceeding in which his impartiality might reasonably be questioned." With the exception of the written order denying class certification because Faulkner's counsel did not satisfy Federal Rule of Civil Procedure 23(a)'s requirement of adequate representation, plaintiffs have not offered specific allegations of hostility, let alone bias. This ruling alone does not mandate recusal. *See Liteky v. United States*, 510 U.S. 540, 555, 114 S.Ct. 1147, 127 L.Ed.2d 474 (1994) ("[J]udicial rulings alone almost never constitute a valid basis for a bias or partiality motion" under Section 455(a).).

CONCLUSION

With the exception of the specifically discussed works made by Psihoyos and Rickman, we affirm.

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the remand have not raised recusal as an issue, we believe it appropriate to erase all doubt as to the propriety of Judge Kaplan's continuing to preside over this matter. *See Liljeberg*, 486 U.S. at 864, 108 S.Ct. 2194 (public confidence in the judicial process a factor in review of a failure to recuse).

APPENDIX B

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

Nos. 97 CIV. 9361(LAK), No. 99 CIV. 12488(LAK)

DOUGLAS FAULKNER, ET AL., PLAINTIFFS

v.

NATIONAL GEOGRAPHIC SOCIETY, ET AL.,
DEFENDANTS

DAVID HISER, ET AL., PLAINTIFFS

v.

NATIONAL GEOGRAPHIC SOCIETY, ET AL.,
DEFENDANTS

December 23, 2003.

MEMORANDUM OPINION

KAPLAN, District Judge.

Plaintiff Faulkner in No. 97 Civ. 9361 and plaintiffs in No. 99 Civ. 12488 move for reconsideration of this Court's decision of December 11, 2003, on the ground that the Court erred as a matter of law and should have recused itself. The motion is denied.

Little need be said about the claim of legal error. Reconsideration would be warranted only if the Court had overlooked controlling or persuasive authority or misapprehended the facts. Movants' memorandum suggests neither. Movants simply disagree with the decision. That is a basis for appeal but not for reconsideration.

The application for recusal is based on a *pot pourri* of assertions which do not warrant relief, either individually or collectively.

Section 455(b)(2) Association in Practice With Alleged Former Attorney for Party

In the course of preparing the decision in this case, the Court learned from papers before it that the late Judge A. Leon Higginbotham, who joined the law firm of which the undersigned was a member during the first quarter of 1993, was a trustee of defendant National Geographic Society prior to his death. The undersigned retired from the firm to take the bench in August 1994. Although the Court did not regard this as disqualifying, particularly in light of the fact that the record makes crystal clear that the project that culminated in *The Complete National Geographic*, the product here at issue, had its genesis in 1996, well after the undersigned left the law firm, it nevertheless so advised counsel by letter dated November 24, 2003. Movants did not then move to disqualify the undersigned or make any objection, but

awaited the decision, which was dated December 11, 2003. Only after losing have they raised the issue.

Litigants cannot be permitted to sit silently on recusal grounds and then to advance them only after they have lost the case.[1] Movants' failure to raise the issue in a timely fashion waived any objection, even disregarding the fact that they have known of Judge Higginbotham's board service at least since they served their requests for admissions many months ago.[2]

Even if the merits were properly before the Court, this aspect of the application would be without merit. Section 455(b)(2) of the Judicial Code, as amended,[3] "requires recusal if, and only if, (1) the judge, while in private practice, or another lawyer in the same firm, (2) during the judge's tenure with the firm, (3) 'served ... as a lawyer concerning the matter ....' "[4] The information before the Court is that Judge Higginbotham served as a trustee of the NGS. There is no suggestion that he served as a

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[1] *See, e.g., Universal City Studios, Inc. v. Reimerdes*, 104 F.Supp.2d 334, 349-50, 352-53 (S.D.N.Y.2000) (collecting cases), *stay denied*, (July 19, 2000), *mandamus denied*, (Aug. 17, 2000), *aff'd sub nom. Universal City Studios, Inc. v. Corley*, 273 F.3d 429 (2d Cir. 2001).

[2] *See* Weingrad Decl., Dec. 22, 2003, ¶ 3 & Ex. C.
They are charged also with knowledge of the undersigned's membership in and Judge Higginbotham's association with the law firm, both of which were matters of public record. *See, e.g., Universal City Studios, Inc.*, 104 F.Supp.2d at 349 & n. 88 (collecting cases).

[3] 28 U.S.C. § 455(b)(2).

[4] *Universal City Studios, Inc.*, 104 F.Supp.2d at 353.

lawyer for the NGS while he and the undersigned were associated in practice. In any case, regardless of whether he acted as a trustee or a lawyer, he could not have acted "concerning the matter" during the period while both he and the undersigned were at the law firm because the undersigned left the firm in August 1994, well before the 1996 genesis of *The Complete National Geographic.*

Section 455(b)(2) Association With Alleged Material Witness

Movants next suggest that disqualification was required because Judge Higginbotham is or was "a material witness with respect to the development of the CNG."[5]

Section 455(b)(2) does require recusal where "the judge or such lawyer has been a material witness concerning" the matter. It is not entirely clear whether the statute is triggered only where the lawyer with whom the judge practiced was a material witness during the period in which the judge and the lawyer were associated in practice, in which case it clearly could not apply here because "the matter" originated well after the judge left the law firm, or applies whenever a former law firm associate is a material witness. But that point is academic here.

As *The Complete National Geographic* project began in 1996, two years after the undersigned left the firm, any contact Judge Higginbotham had with the issues presented here post-dated the professional association. Hence, there is no colorable argument that any

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[5] Pl. Mem. 13.

knowledge Judge Higginbotham might have gained should be imputed to the undersigned by reason of the professional relationship. As far as the Court is aware, no affidavit, declaration, or deposition testimony given by him is part of the record in this case. Certainly he never testified before the undersigned. Moreover, Judge Higginbotham died in December 1998. In consequence, he neither is nor was a witness in any relevant sense. The fact that he may have been present on occasions when *The Complete National Geographic* was discussed in the 1996-98 period, after the undersigned had left the law firm, is entirely immaterial to the propriety of the undersigned sitting.

Section 455(b)(2) Former Representation of Party

Movants next rely upon the fact that the undersigned, while a practicing lawyer, represented Sterling Drug, Inc., then a subsidiary of Eastman Kodak Co., a defendant in this case, in a trademark litigation against Bayer AG [6] prior to taking the bench.

The Court assumes for the sake of argument that representation of Sterling Drug was equivalent to representation of Eastman Kodak. Even given that assumption, however, movants' argument is baseless. Under Section 455(b)(2), a judge is disqualified from hearing a case involving a former client only in the circumstances referred to in the prior section. Quite obviously, the representation of Sterling Drug in a trademark litigation concerning the right to use the name "Bayer" in the United States cannot credibly be said to

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[6] *Sterling Drug, Inc. v. Bayer AG*, 14 F.3d 733 (2d Cir.1994).

have concerned the same "matter" that is at issue here.

Section 455(a) Alleged Bias Against Counsel

Movants next assert that the undersigned is hostile to and biased against their attorney, Stephen Weingrad, Esq. The Court regards the assertion as unwarranted, but that is neither here nor there for two reasons.

First, movants' claim of hostility and bias rests exclusively on events that occurred before the summary judgment decision was rendered.[7] Indeed, the only specific complaint is the denial of the motion for class certification in No. 99 Civ. 12488, which occurred on May 17, 2000, more than three and a half years ago. The failure to seek recusal in the interim waived the point.[8]

Even if the complaint were timely, it would be completely without merit. The evident basis for counsel's grievance is the ruling denying class certification, which the Court did not publish in order to spare counsel. As counsel now relies on that ruling in support of the present motion, however, it is well to quote it in full:

> "This is an action for copyright infringement by a number of photographers and writers whose work has been published in *National Geographic Magazine*. The essence of their claim is that they granted the magazine limited rights to publish their works and that the defendants have infringed their copyrights by

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[7] *See* Pl. Mem. 15.

[8] *E.g.*, *Universal City Studios, Inc.*, 104 F.Supp.2d at 349-50, 356.

republishing their work beyond the rights granted to them, chiefly in electronic media. Plaintiffs seek to maintain the case as a class action on behalf of all authors whose works have been published in the magazine over the past 110 years and who meet certain other criteria. The matter is now before the Court on plaintiffs' motion to certify a class.

"Rule 23(a) establishes four prerequisites to class certification. The class must be so numerous that joinder of all members is impracticable. There must be questions of law or fact common to the class. The claims or defenses of the class representatives must be typical of the claims or defenses of the class. And the representative parties must fairly and adequately protect the interests of the class. *E.g., In re Auction Houses Antitrust Litig.*, 193 F.R.D. 162, 164 (S.D.N.Y.2000). The burden of establishing that these prerequisites are satisfied lies with the putative class representatives. 7A Wright, Miller & Kane, *Federal Practice and Procedure: Civil 2d* § 1759, at 102 (1986).

" 'The adequacy of representation requirement focuses on whether the plaintiffs have interests antagonistic to those of other class members and whether plaintiffs *and their counsel* are capable of competently and vigorously prosecuting the litigation.' *In re Auction Houses Antitrust Litig.*, 193 F.R.D. 162, 164. Indeed, the attorney's qualifications are central to the question whether a class properly may be certified. *E.g., Cullen v. New York State Civil Service Comm'n*, 566 F.2d 846, 848-49 (2d Cir.1977) (quoting *Eisen v. Carlisle & Jacquelin*, 391 F.2d 555, 562 (2d Cir.1968)).

"The attorney of record for the plaintiffs and the

proposed class in this case is Stephen A. Weingrad of the firm of Weingrad & Weingrad, L.L.P. Mr. Weingrad is not a stranger to this Court. He represented the plaintiffs in another copyright case recently, *Bridgeman Art Library, Ltd. v. Corel Corp.*, 36 F.Supp.2d 191 (S.D.N.Y.1999). His professional performance in that action was unsatisfactory. Indeed, in passing on his motion to for reargument and reconsideration after the Court granted summary judgment dismissing his client's claims, the Court wrote as follows:

" 'At the outset, it is worth noting that the post-judgment flurry was occasioned chiefly by the fact that the plaintiff [represented by Mr. Weingrad] failed competently to address most of the issues raised by this interesting case prior to the entry of final judgment. In particular, while plaintiff urged the application of U.K. law, it made no serious effort to address the choice of law issue and no effort at all (apart from citing the British copyright act) to bring pertinent U.K. authority to the Court's attention before plaintiff lost the case. Indeed, it did not even cite *Graves' Case*, the supposedly controlling authority that the Court is said to have overlooked.' *Id.* at 192.

"Regrettably, Mr. Weingrad's performance in *Bridgeman* was not an isolated occurrence. In *Ernst Haas Studio, Inc. v. Palm Press, Inc.*, 164 F.3d 110 (2d Cir.1999), the Second Circuit rejected an appeal, taken by Mr. Weingrad from a district court judgment of dismissal, 'on the ground that the main Brief filed by appellant [*i.e.*, Mr. Weingrad] articulates no grounds for reversal of the judgment, and we decline to entertain arguments made for the first time in the Reply Brief.'

Id. at 111. Moreover, the Circuit ordered Mr. Weingrad to pay the appellee's attorney's fees as a sanction pursuant to Fed. R.App. P. 38:

" 'We do hold that appellee should recover under Rule 38 its reasonable attorney's fees in connection with this appeal. By failing in its main Brief to state reasoned arguments based on cited authority setting out grounds for reversal, appellant's counsel forced appellee to anticipate, research, and argue the issues in the case without knowing what issues appellant intended to raise. [citation omitted] An award of attorney's fees is thus appropriate as a sanction. Because the frivolous nature of the Brief is due to counsel, he should bear sole liability for these fees.' *Id.* at 112-13.

"Given both this Court's experience with Mr. Weingrad in *Bridgeman* and the Court of Appeals' determinations in *Ernst Haas Studio*, this Court quite confidently holds that no class represented by Mr. Weingrad meets Rule 23(a)'s requirement of adequate representation.

"Following the filing of plaintiffs' class certification motion, Mr. Weingrad wrote the Court and enclosed the *curriculum vitae* of his partner, Mr. Simmon. He added that he 'will be proposing [Mr. Simmon] as lead counsel should the Court grant [the] Motion for Class Certification' and indicated that he would file an affidavit by Mr. Simmon in that event.

"It is plaintiffs' burden to establish that the adequacy of representation requirement is satisfied. Mr. Simmon's *cv* shows that he has had substantial experience in aviation disaster, products liability and medical malpractice cases. There is no evidence that he has had

any class action or copyright experience. Indeed, given that Mr. Weingrad's letterhead shows that Mr. Simmon is the junior partner in a three partner firm headed by Mr. Weingrad, it seems quite likely that he would be taking his lead from Mr. Weingrad.

"It is exceptionally unpleasant to speak so critically of anyone, let alone a member of the Bar. The Court sought to avoid the need for doing so by making its views known to Mr. Weingrad informally during a status conference. Mr. Weingrad nevertheless made this motion, which gave the Court no choice but to state its view on the record.

"The motion for class certification is denied in all respects." [9]

The Court understands that counsel is disappointed with the ruling on the motion for summary judgment. But movants allege no basis for supposing that the Court is biased against counsel, much less that it is so biased against counsel as to warrant disqualification pursuant to 28 U.S.C. § 455(a). Nothing movants have said even arguably suggests that the Court has "such virulent personal bias or prejudice against the attorney as to amount to a bias against the party." [10]

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[9] Order, No. 99 Civ. 12488 (LAK) (May 17, 2000).

[10] *United States v. Jacobs*, 855 F.2d 652, 656 n. 2 (9th Cir.1988). *See also Gilbert v. City of Little Rock*, 722 F.2d 1390, 1399 (8th Cir.1983) (same); *Davis v. Board of School Commissioners*, 517 F.2d 1044, 1050-51 (5th Cir.1975), *cert. denied*, 425 U.S. 94, 96 S.Ct. 1338, 47 L.Ed.2d 603 (1976); *United States v. Oluwafemi*, 883 F.Supp. 885, 891 (S.D.N.Y.1995) (same); *United States v. Ahmed*, 788 F.Supp. 196, 203 (S.D.N.Y.) ("[t]he hostility or bias must be so virulent and of such magnitude that it prejudices the judge against the attorney's client"),

Section 455(a) Combination of Circumstances

Movants perhaps suggest that even though none of the circumstances relied upon, considered alone, requires recusal under Section 455, recusal nonetheless is necessary either because they came "close" to meeting the requirements of a provision of Section 455(b) or because the circumstances in the aggregate give ground for disqualification under Section 455(a). Even if these suggestions had not been waived by movants' failure to raise them in a timely fashion, they would lack merit.

The Supreme Court rejected the first suggestion in *Liteky v. United States*, [11] where it made clear that it would be "unreasonable to interpret § 455(a) (unless the language *requires* it) as implicitly eliminating a limitation explicitly set forth in § 455(b)." (Emphasis in original)

And the second is equally baseless. The facts that the undersigned years ago represented a subsidiary of Kodak, a minor defendant here, in a completely unrelated matter; that a former law firm colleague was a member of the board of the National Geographic Society while he and the undersigned were at the firm, years before the earliest stirrings of the events that gave rise to this action; and that the Court has found Mr. Weingrad's professional performance wanting add up to no more in combination than they do individually. No one, knowing all of the facts, reasonably could question the impartiality of the undersigned.

Conclusion

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aff'd, 980 F.2d 161 (2d Cir.1992).

[11] 510 U.S. 540, 552-53, 114 S.Ct. 1147, 127 L.Ed.2d 474 (1994).

For the foregoing reasons, the motion is denied in all respects.

SO ORDERED.

APPENDIX C

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

Nos. 97 Civ. 9361(LAK), 99 Civ. 12385(LAK), 99 Civ. 12488(LAK), 02 Civ. 6623(LAK).

DOUGLAS FAULKNER, ET AL., PLAINTIFFS

v.

NATIONAL GEOGRAPHIC SOCIETY, ET AL., DEFENDANTS

FRED WARD, ET ANO., PLAINTIFFS

v.

THE NATIONAL GEOGRAPHIC SOCIETY, ET AL., DEFENDANTS

DAVID HISER, ET AL., PLAINTIFFS

v.

NATIONAL GEOGRAPHIC SOCIETY, ET AL., DEFENDANTS

LOUIS PSIHOYOS, ET AL., PLAINTIFFS
v.

THE NATIONAL GEOGRAPHIC SOCIETY, ET AL., DEFENDANTS

December 11, 2003

OPINION

KAPLAN, District Judge.

The digital revolution has caused substantial growing pains in the law of copyright as the law has sought to adapt to the demands of a new age. This case is yet another example.

Plaintiffs here are freelance photographers or writers who created images or text that originally appeared in the print version of the *National Geographic Magazine* (the "*Magazine*"). While the ownership of the copyrights in their creations in many cases is disputed, all agree that defendant National Geographic Society ("NGS") had the right to publish their works in the *Magazine* regardless of who owns the copyrights.

In the late 1990's, defendants produced and began to market various editions of "The Complete National

Geographic" (the "CNG"), a digital archive of all past issues of the *Magazine* on CD-ROM and DVD. Plaintiffs here claim that the production and sale of the CNG infringed their copyrights in and otherwise violated their rights with respect to their contributions to the *Magazine*. The fundamental questions, common to all of the cases, are whether the NGS, as owner of the copyrights in the individual issues of the *Magazine*, is privileged by Section 201(c) of the Copyright Act of 1976 (the "1976 Act") [1] to market the CNG on the theory that it is a reproduction or revision of the *Magazine* and whether NGS is foreclosed from reliance on Section 201(c) by a previous adverse decision in the Eleventh Circuit.

The matter now is before the Court on defendants' motions for partial summary judgment dismissing the copyright infringement and certain other claims and motions by many of the plaintiffs for partial summary judgment determining that defendants are liable for copyright infringement under the 1976 Act. [2]

Facts

Parties

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[1] 17 U.S.C. § 201(c).

[2] The Court previously decided motions for partial summary judgment dismissing those aspects of the complaints in Nos. 97 Civ. 9361 and 99 Civ. 12385 that were brought under the Copyright Act of 1909 ("1909 Act"), which concerned photographs and text that appeared in the *Magazine* before 1978 (the "Pre-1978 Works"), and the Digital Millennium Copyright Act ("DMCA"). *Faulkner v. Nat'l Geographic Soc'y*, 211 F.Supp.2d 450, *mod. on reconsideration*, 220 F.Supp.2d 237 (S.D.N.Y.2002); *Ward v. Nat'l Geographic Soc'y*, 208 F.Supp.2d 429 (S.D.N.Y.2002).

All of the plaintiffs save two [3] are freelance photographers or writers who created images or wrote text that appeared in the *Magazine*.

The principal defendants are NGS and two of its subsidiaries, National Geographic Ventures, Inc. ("NGV"), and National Geographic Enterprises, Inc. ("NGE"), now known as National Geographic Holdings, Inc. NGS is the world's largest nonprofit scientific and educational organization, with approximately ten million members worldwide. In 1995, NGS placed its television and, subsequently, its interactive and a portion of its cartography divisions into NGV, a wholly-owned taxable subsidiary. NGV in turn wholly owns NGE, among the divisions of which is National Geographic Interactive ("NGI"). [4]

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[3] The two exceptions are Matrix International, Inc. ("Matrix"), and Sally Faulkner. Sally Faulkner is the assignee of the copyrights in ten photographs taken by her former husband. Matrix is a plaintiff in two actions. In No. 97 Civ. 9361, it purports to sue on behalf of two freelance photographers. In No. 02 Civ. 6623, Matrix claims to have licensed photographs to defendants for use in the *Magazine*.

Plaintiffs in No. 99 Civ. 12488 assert in their moving papers that David Allen is suing on behalf of himself and his father whose successor in interest he claims to be. This Court previously dismissed Allen's claims as successor in interest to his father. *Faulkner v. Nat'l Geographic Soc'y*, 211 F.Supp.2d 450, *mod. on reconsideration*, 220 F.Supp.2d 237 (S.D.N.Y.2002)

[4] Fahey Decl. (*Ward* docket item ["DI"] 60) ¶¶ 2, 4. Mr. Fahey submitted declarations supporting each of defendants' three motions. The declarations supporting the motions in *Ward* and *Faulkner/Hiser* are identical. (Although the latter was docketed in both cases, it has been assigned an item number only on the *Faulkner* docket sheet.) The declaration supporting the motion to dismiss in *Psihoyos* is substantially identical to the other two. To the extent the

The *Magazine* is the monthly official journal of NGS, published in print format since 1888. In December 1996, NGS granted NGV the nonexclusive right to use photographs and text included in the archive of the *Magazine* ("in archival form only, without manipulation or alteration") for the development and distribution of various multimedia products. [5]

Defendant Mindscape, Inc. is a computer software publisher and distributor. In September 1996, it entered into an agreement with NGE through its division, NGI, whereby Mindscape would manufacture, market, and distribute CD-ROM products created by NGS, including the CNG. [6] The agreement granted Mindscape the sole and exclusive right to manufacture, reproduce, and distribute certain multimedia products, including the CNG, based on an archive of the *Magazine*. [7] In return, Mindscape granted NGI the right to receive royalties on its sales of the CNG and other related multimedia

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three are identical, all citations are to the declaration in *Ward* alone. Parallel citations to the declaration in *Psihoyos* are included where it differs from the others.

[5] Plaintiffs' Exhibits in Support of Motion and in Opposition to Defendants' Motions ("Pl. Supp. & Opp. Ex.") (*Faulkner* DI 79) Ex. B 408- 40 & attach. B.

[6] Encore, Inc. ("Encore") succeeded Mindscape as the manufacturer and distributor of the CNG in 2001. *See* Berger Aff. (*Ward* DI 62) ¶ 33 & Ex. 71.

[7] Fahey Decl. (*Ward* DI 60) ¶ 16 & Ex. J ¶¶ 1, 2; Fahey Decl. (*Psihoyos* DI 5) ¶ 19 & Ex. J ¶¶ 1, 2.

products. [8]

Defendant Dataware Technologies, Inc., now known as LeadingSide, Inc. ("Dataware"), [9] is a developer of interactive software for the purpose of information retrieval and electronic publishing applications. In August 1996, Ledge Multimedia, then a division of Dataware, entered into an agreement with NGS, the purpose of which was for Dataware to manage the development of the CNG archive. [10] The agreement required Dataware to develop a custom CD-ROM template, including integration of a custom set of interfaces to display magazine pages, a search engine and JPEG [11] images of the scanned magazine pages. After completing this process, Dataware shipped the prototype CD-ROMs to Mindscape at its California offices for

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[8] Fahey Decl. (*Ward* DI 60) Ex. J ¶ 5; Def. Revised 56.1 St. (*Psihoyos* DI 12) ¶ 22; Def. 56.1 St. (*Ward* DI 60) ¶ 19; Def. 56.1 St. (*Faulkner* DI 74) ¶ 19.

[9] Dataware is in bankruptcy in a case pending in the District of Massachusetts. *In re LeadingSide, Inc.*, No. 01 B 12876 (D. Mass. Bankr.filed Apr. 1, 2001). This action therefore is stayed as against it except in limited respects not germane here. It does not join in the motion by the other defendants.

[10] Fahey Decl. (*Ward* DI 60) ¶ 17 & Ex. K; Fahey Decl. (*Psihoyos* DI 5) ¶ 20 & Ex. K; Def. 56.1 St. (*Ward* DI 60) ¶ 25; Def. 56.1 St. (*Faulkner* DI 74) ¶ 25.

[11] "JPEG" is short for Joint Photographic Experts Group and is pronounced "jay-peg." It is a compression technique for digital color images, which can reduce file sizes to about 5 percent of their normal size. Some detail is lost in the compression. *Webop-edia*, at <htt p:// www.pcwebopedia.com/TERM/J/JPEG.html> (last visited Dec. 3, 2003).

reproduction and mass distribution. [12]

In October 1997, defendant Eastman Kodak Company ("Kodak") [13] entered into a co-sponsorship agreement with NGI, Mindscape and Dataware pursuant to which Kodak would pay a fee to NGI for placement of a Kodak promotional message at the beginning of CNG CD-ROMs and advertising on the product package. It received 5,000 complimentary units of the first of the CNG collections, received no revenue or other remuneration from the CNG products, had no right to control their content, and did not participate in their marketing or distribution save for whatever disposition it made of the 5,000 copies it received. [14]

The Complete National Geographic

In 1996, NGS developed a proposal to reproduce all issues of the *Magazine* published between 1888 and 1996 in CD-ROM format. The product, now known as the CNG, was produced in significant part through a process of digital scanning. Each issue of the *Magazine* published between 1888 and 1996 was scanned, page by page, into a computer system. The pages were scanned two at a time, so that a user of CNG is presented with the exact same visual experience as if reading from the print version of the *Magazine*. [15] Defendants assert that the scanning

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[12] Fahey Decl. (*Ward* DI 60) ¶ 17; Fahey Decl. (*Psihoyos* DI 5) ¶ 20.

[13] Kodak is a defendant in Nos. 97 Civ. 9361 and 99 Civ. 12488 only.

[14] Fahey Decl. (*Psihoyos* DI 5) ¶¶ 31-33.

[15] Fahey Decl. (*Psihoyos* DI 11) ¶ 9.

process created an "exact image-based reproduction" of each page as it appeared in the *Magazine*. [16]

For reasons that will become apparent, some of the plaintiffs contend that the CNG is not a precise digital image of the *Magazine*. Several contend that they compared some print issues of the *Magazine* with the CNG version and found differences with respect to some advertisements. [17] Plaintiffs in No. 02 Civ. 6623 and plaintiffs Psihoyos, Rickman, Austen and Matrix (the "Psihoyos Plaintiffs") in Nos. 97 Civ. 9361 and 99 Civ. 12488 claim also that certain special editions of the *Magazine* are missing from one of the CD-ROM products and that certain of their images were blacked out in later versions of the CNG. [18] None of these contentions, however, is sufficient to raise a genuine issue of material fact as to the proposition that the CNG in fact is a virtually exact imagebased reproduction of the pages of the *Magazine* [19] in which the issues of the *Magazine*

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[16] Fahey Decl. (*Ward* DI 60) ¶¶ 7-9.

[17] Ward Reply Aff. (*Ward* DI 66) ¶¶ 3-10; Pl. Opp. Mem. (*Ward* DI 65) 2; *see* Psihoyos Pl. Opp. 56.1 St. ¶ 11 & attach. Psihoyos Decl. ¶¶ 26-27; Pl. 56.1 St. (*Psihoyos* DI 14) ¶ 22 & attach Psihoyos Decl. ¶¶ 25-27.

[18] Psihoyos Decl., Psihoyos Pl. Opp. Mem. in *Faulkner/Hiser* (hereinafter "Psihoyos Decl. (*Faulkner/Hiser*)") ¶ 13, 25; Psihoyos Decl. (*Psihoyos* DI 14) ¶ 13, 25.

[19] The differences that some of the plaintiffs observed between advertisements and format as they appeared in the particular print issues they compared to the CNG are attributable to the fact that the *Magazine* is published in regional editions in which the advertising content and format varies to some degree. Def. Reply Mem. (*Ward* DI 71) 11 & n. 12 and materials there cited; *compare* Ward Reply Aff. (*Ward* DI 66) Ex. 83 *with* Def. Reply Mem.App. (*Ward* DI 71)

appear chronologically, from the earliest at the beginning of the first disk to the latest at the end of the thirtieth disk.

"The Complete National Geographic: 108 Years of National Geographic Magazine on CD-ROM" ("CD-ROM 108"), which was introduced to the marketplace in 1997, has three components. The first is a multimedia sequence that displays NGS's logo followed by a promotional message for Kodak and a sequence depicting the covers of ten issues of the *Magazine* that transition from one into another (the "Moving Cover Sequence"). The multimedia

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Ex. 27. Ward has come forward with no evidence that the portion of the CNG that consists of images of *Magazine* pages is not a precise reproduction of one of these regional advertising editions of the *Magazine*.

Approximately 60 images were blacked out in certain editions of the CNG because an issue arose as to whether the NGS had the right to include a limited number of images in consequence of explicit contractual language excluding electronic reproduction. Fahey Decl. (*Ward* DI 60) ¶ 13 n. 4; Fahey Decl. (*Psihoyos* DI 5) ¶¶ 15 n. 8, 25. There is no suggestion that any images by plaintiffs were blacked out or, for that matter, that any of the blacked out images originally appeared in print in proximity to any text or images created by them except that the *Psihoyos* Plaintiffs contend that three photographs allegedly licensed by plaintiff Matrix were blacked out and replaced with a notice reading "image not available." Psihoyos Decl. (*Psihoyos* DI 14) ¶ 13; Psihoyos Decl. (*Faulkner/Hiser*) ¶ 13. As plaintiffs cannot claim infringement based on the *failure* to include those photographs in the CNG, the blacking out of those three images is immaterial. So too is the blacking out of the other 57 images, as they do not materially alter the context in which any of the plaintiffs' works appear in the CNG. Likewise, the failure to include images of certain special editions in the CNG does not alter the fact that the plaintiffs' works that are included in the CNG appear in exactly the same contexts in which they appeared in print.

sequence plays on the first time a user boots up CD-ROM 108 and at the beginning of each subsequent session. In subsequent sessions, however, the user can skip the sequence by clicking on the logo once. The second component, referred to in this opinion as the Replica, consists of the digital reproduction of the pages and issues of the *Magazine*. The third is the computer software that serves as the storage repository and retrieval system for the *Magazine* images. [20]

Since 1997, the NGS has published additional CNG products, principally CD-ROMs and DVDs for the first 109, 110, 111 and 112 years of the *Magazine*. [21] These products have varied slightly from the first with respect to the introductory sequences, which display the NGS's logo, and the Kodak promotional message. Only the 108 and 109 year CD-ROMs contained the Moving Cover Sequence. Beginning with the 110 year product, each version has contained a very short summary of each article that appears on the list of "hits" generated by the search engine in response to user queries. [22] Capabilities

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[20] Fahey Decl. (*Ward* DI 60) ¶¶ 10-11 & Ex. A; Fahey Decl. (*Psihoyos* DI 5) ¶¶ 11-12 & Ex. A; Stanton Decl. (*Ward* DI 71) ¶ 2. The search engine produces a list of stories in response to the user's query and identifies, for each story listed, its title, author, date, and related subjects. Fahey Decl. (*Ward* DI 60) ¶ 10 n. 2; Fahey Decl. (*Psihoyos* DI 5) ¶ 11 n. 6.

[21] Fahey Decl. (*Ward* DI 60) ¶ 12; Fahey Decl. (*Psihoyos* DI 5) ¶ 14; *see also* Def. 56.1 St. (*Psihoyos* DI 12) ¶ 28. It published also decade sets, which contain Replicas of the *Magazine* for various decades, and "The Complete National Geographic" Curriculum Supplement. Fahey Decl. (*Ward* DI 60) ¶ 14; Fahey Decl. (*Psihoyos* DI 5) ¶ 16.

[22] Fahey Decl. (*Ward* DI 60) ¶¶ 10 n. 2, 13 & n. 3; Fahey Decl. (*Psihoyos* DI 5) ¶¶ 11 n. 6, 15 & n. 7.

have been added to the software.[23] All, however, contain a Replica section.

Discussion

I. The Summary Judgment Standard

Summary judgment is appropriate if there is no genuine issue of material fact and the moving party is entitled to judgment as a matter of law.[24] Where the burden of proof at trial would fall on the nonmoving party, it ordinarily is sufficient for the movant to point to a lack of evidence to go to the trier of fact on an essential element of the nonmovant's claim.[25] In that event, the nonmoving party must come forward with admissible evidence[26]

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[23] Additions to CNG 110 and its later iterations include: (a) an introductory tutorial, (b) new interactive software tools, such as a tool to darken text for easier reading and another tool to rotate images, (c) bookmarking capabilities, and (d) a search and save feature. *See e.g.*, Pl. Opp. 56.1 St. (*Ward* DI 66) ¶ 14; Wells Decl. (*Psihoyos* DI 14) ?21; Pl. Joint Reply 56.1 St. (*Faulkner* DI 87) ¶ 10. Other software capabilities not available in the *Magazine* include the ability to print digital pages and links to the NGS website. *See e.g.*, Pl. Opp. Mem. (*Faulkner* DI 85) 7-8; Pl. Opp. Mem. (*Ward* DI 65) 4-5; Pl. Opp. Mem. (*Psihoyos* DI 14) 7-8; Pl. SJ Mem. (*Faulkner* DI 77) 7-8; *compare* Pl. Joint 56.1 St. (*Faulkner* DI 78) ¶ 79-10, *with* Def. Opp. 56.1 St. (*Faulkner* DI 86) ¶ 79-10.

[24] *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248, 106 S.Ct. 2505, 91 L.Ed.2d 202 (1986); *White v. ABCO Eng'g Corp.*, 221 F.3d 293, 300 (2d Cir.2000); *see also* Fed. R. Civ. P. 56(c).

[25] *Celotex Corp. v. Catrett*, 477 U.S. 317, 322-23, 106 S.Ct. 2548, 91 L.Ed.2d 265 (1986); *Virgin At. Airways Ltd. v. British Airways PLC*, 257 F.3d 256, 273 (2d Cir.2001).

[26] *See, e.g., Nora Beverages, Inc. v. Perrier Group of Am., Inc.*, 269 F.3d 114, 123-24 (2d Cir.2001); *id.*, 164 F.3d 736, 746 (2d Cir.1998); *Raskin v. Wyatt Co.*, 125 F.3d 55, 65-66 (2d Cir.1997).

sufficient to raise a genuine issue of fact for trial in order to avoid summary judgment. [27]

A court faced with cross-motions for summary judgment need not "grant judgment as a matter of law for one side or the other," but "must evaluate each party's motion on its own merits, taking care in each instance to draw all reasonable inferences against the party whose motion is under consideration." [28]

II. Copyright Infringement

A. Section 201(c)--Revision or Reproduction

Section 201(c) of the 1976 Act provides:

> "Copyright in each separate contribution to a collective work is distinct from copyright in the collective work as a whole, and vests initially in the author of the contribution. In the absence of an express transfer of the copyright or of any rights under it, the owner of copyright in the collective work is presumed to have

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[27] *E.g., Nebraska v. Wyoming*, 507 U.S. 584, 590, 113 S.Ct. 1689, 123 L.Ed.2d 317 (1993) (when nonmoving party bears burden of proof at trial, moving party is entitled to summary judgment if nonmovant fails to make showing on essential element of its claim); *Goenaga v. March of Dimes Birth Defects Found.*, 51 F.3d 14, 18 (2d Cir.1995) ("In moving for summary judgment against a party who will bear the ultimate burden of proof at trial, the movant's burden will be satisfied if he can point to an absence of evidence to support an essential element of the nonmoving party's claim.") (citing *Celotex*, 477 U.S. at 322-23, 106 S.Ct. 2548).

[28] *Heublein, Inc. v. United States*, 996 F.2d 1455, 1461 (2d Cir.1993) (quoting *Schwabenbauer v. Bd. of Ed.*, 667 F.2d 305, 313-14 (2d Cir.1981) (internal citations omitted)).

acquired only the privilege of reproducing and distributing the contribution as part of that particular collective work, any revision of that collective work, and any later collective work in the same series." [29]

It thus distinguishes between the "[c]opyright in each separate contribution to a collective work" and the "copyright in the collective work as a whole." The former "vests initially in the author of the contribution." The owner of the copyright in the collective work, barring an express transfer, is presumed to have acquired from the owner of the copyright in each separate contribution only the privilege of "reproducing and distributing the contribution as part of [1] that particular collective work, [2] any revision of that collective work, and [3] any later collective work in the same series."

The parties agree that NGS acquired from the plaintiffs at least the right to publish their contributions in the *Magazine*. [30] Defendants contend that the CNG is a

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[29] 17 U.S.C. § 201(c).

[30] All plaintiffs so admitted in response to the first round of summary judgment motions. Def. 56.1 St. (*Faulkner* DI 33) ¶ 4; Pl. 56.1 St. (*Faulkner* DI 40) ¶ 4; Def. 56.1 St. (*Ward* DI 27) ¶ 4; Pl. 56.1 St. (*Ward* DI 36) ¶ 4. Defendants repeated this assertion in their Rule 56.1 statements in the present round of summary judgment motions. Def. 56.1 St. (*Ward* DI 60) ¶ 4; Def. 56.1 St. (*Faulkner* DI 74) ¶ 4; Def. Revised 56.1 St. (*Psihoyos* DI 12) ¶ 32. Ward in substance objected to this assertion in No. 99 Civ. 12385 (Pl. 56.1 St. (*Ward* DI 66) ¶ 4), but testified at his deposition that he granted one time publication rights to NGS with respect to the use of his works in the *Magazine*. *See, e.g.*, Def.App. SJ Motion (*Ward* DI 60) Ex. O at 48:1-14, 65:21-66:11. Thus, there is no genuine issue as to the fact that plaintiffs all granted NGS at least one time publication rights with respect to all of the works at issue in this case. Certain plaintiffs in

Faulkner, *Hiser* and *Psihoyos* claim, however, that they granted one time publication rights only with respect to print media and specifically excluded electronic productions.

In *Psihoyos*, plaintiffs' papers in opposition to defendants' motion for summary judgment asserted that plaintiff Psihoyos in certain instances gave NGS only rights so limited, referring to plaintiffs' Exhibit 17 and Psihoyos' declaration in opposition to the motion. Pl. Opp. Mem. (*Psihoyos* DI 14) 47; Psihoyos Decl. (*Psihoyos* DI 14) ¶ 11; Plaintiffs' Exhibits in Opposition to Motion to Dismiss ("Pl. Opp. Ex.") (*Psihoyos* DI 15) Ex. 17. Defendants thereupon withdrew so much of their motion in that case as sought dismissal of Psihoyos' infringement claims with respect to those photographs. Def. Reply Mem. (*Psihoyos* DI 18) 18 n. 33. Exhibit 17 in support of plaintiffs' opposition memorandum contains evidence which conceivably might support his claim of a limited grant with respect to only two photographs: (1) a photograph of Paul Sereno, and (2) a photograph of a Ford Styrofoam mockup that appeared in the October 1995 issue. Pl. Opp. Ex. (*Psihoyos* DI 15) Ex. 17.

Certain of the plaintiffs in *Faulkner* and *Hiser* who are represented by the Weingrad firm (others have their own counsel) claimed in papers in support of their own motion for summary judgment that the rights granted by them to NGS were similarly limited. Pl. SJ Mem. (*Faulkner* DI 77) 21. The only evidentiary basis for this claim consists of affidavits and declarations by plaintiffs stating that they did not intend to grant any rights with respect to electronic media. Of course, statements of subjective intention uncommunicated to the other contracting party are immaterial in construing the terms of the contract. *E.g.*, *Hotchkiss v. Nat'l City Bank*, 200 F. 287, 293 (S.D.N.Y.1911), *aff'd*, 201 F. 664 (2d Cir.1912), *aff'd*, 231 U.S. 50, 34 S.Ct. 20, 58 L.Ed. 115 (1913); *In re Robbins Int'l, Inc.*, 275 B.R. 456, 465 (S.D.N.Y.2002); *Bayer Corp. v. Chestnut Acq. Corp.*, 189 F.Supp.2d 153, 157 (S.D.N.Y.2002); *Nycal Corp. v. Inoco PLC*, 988 F.Supp. 296, 301-02 (S.D.N.Y.1997); *see Pan Am. World Airways, Inc. v. Aetna Cas. & Sur. Co.*, 505 F.2d 989, 1003 (2d Cir.1974). Hence, these assertions must be disregarded. What remains, therefore, is the concession that all of the plaintiffs granted at least one-time publication rights--a concession that accords with the industry custom, *see, e.g.*, *Ward*, 208 F.Supp.2d at 438-39.

"reproduction" or "revision" of the *Magazine* and, in consequence, that the infringement claims must be dismissed. Plaintiffs, for their part, maintain that NGS litigated and lost precisely this argument in *Greenberg v. National Geographic Society* [31] and that defendants therefore are collaterally estopped from relying on Section 201(c).

1. Collateral Estoppel

"Litigants who have had a full and fair opportunity to litigate ordinarily will not be heard to relitigate an issue actually, finally and necessarily decided against them in a prior action." [32] To prevail on a claim of collateral estoppel, or issue preclusion, the party asserting the estoppel must show that:

> "(1) the issues in both proceedings are *identical*, (2) the issue in the prior proceeding was *actually litigated and actually decided*, (3) there was a *full and fair opportunity to litigate* in the prior proceeding, and (4) the issue previously litigated was *necessary* to support a *valid* and *final judgment* on the merits." [33]

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[31] 244 F.3d 1267 (11th Cir.) (corrected opinion), *cert. denied*, 534 U.S. 951, 122 S.Ct. 347, 151 L.Ed.2d 262 (2001) (mem.).

[32] *ICD Holdings S.A. v. Frankel*, 976 F.Supp. 234, 239 (S.D.N.Y.1997).

[33] *Carney v. Philippone*, 332 F.3d 163, 170 (2d Cir.2003) (internal quotation marks omitted) (emphasis added); *accord*, *Gelb v. Royal Globe Ins. Co.*, 798 F.2d 38, 44 (2d Cir.1986), *cert. denied*, 480 U.S. 948, 107 S.Ct. 1608, 94 L.Ed.2d 794 (1987) (setting out four-part test).

It therefore is necessary to begin by considering the *Greenberg* case.

a. The Greenberg *case*

The CNG contains (1) a multimedia opening sequence, those in the 108 and 109 year products depicting actual covers of past issues of the *Magazine*, (2) the Replica, consisting of digitally reproduced images of the *Magazines* themselves, and (3) the computer software that is the storage repository and retrieval system for the images. [34]

The plaintiff in *Greenberg* was a freelancer much like those here. His photographs appeared in various issues of the *Magazine* that were incorporated in the CNG. One of his photographs appeared also in the Moving Cover Sequence. [35] He sued NGS for copyright infringement based on a claim that the rights he had granted for publication in the *Magazine* did not permit use of his work in the CNG. The defendants argued in the district court that the CNG "constitute[d] a 'revision' of that collective work [i.e., the *Magazine*] within the meaning of 17 U.S.C. § 201(c)" and that publication of the CNG therefore did not infringe the plaintiff's copyright. [36] The district court agreed, holding that the CNG was a

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[34] *E.g.*, *Greenberg*, 244 F.3d at 1269-70.

[35] There is no suggestion that any of the plaintiffs' photographs in these cases appeared in the Moving Cover Sequence.

[36] *Greenberg v. Nat'l Geographic Soc'y*, 97-3924-CIV (Lenard), 1998 U.S. Dist. LEXIS 18060, at *6 (S.D.Fla. May 14, 1998).

"revision" within the meaning of the statute. [37]

The Eleventh Circuit reversed. It assumed, but did not decide, that Section "201(c)'s revision privilege embrace[d] the entirety of the Replica portion of the CNG" [38] -- i.e., the images of the *Magazine* issues themselves--but went on to note that the animated opening sequence and the software were independently copyrightable elements not present in the *Magazine*. It therefore reasoned that "common-sense copyright analysis compels the conclusion that the Society, in collaboration with Mindscape, has created a new product ('an original work of authorship'), in a new medium, for a new market that far transcends any privilege of revision or other mere reproduction envisioned in § 201(c)." [39] It concluded that the NGS, by "creating a new work ... forfeited any privilege that it *might* have enjoyed with respect to" a mere transformation of the print version of the *Magazine* into a digital form. [40]

b. Identity of Issues

In considering whether the issues presented in *Greenberg* and in this case are identical, it is important at the outset to note that Greenberg claimed infringement with respect to the use of one of his photographs in the Moving Cover Sequence as well as with respect to the

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[37] *Id.* at *10.

[38] *Greenberg*, 244 F.3d at 1272.

[39] *Id.* at 1273.

[40] *Id.* at 1274 (emphasis in original).

inclusion of his other photographs in the Replica portion of the CNG. As there is no suggestion that any of plaintiffs' material was used in the Moving Cover Sequence, their claims parallel only the second of Greenberg's contentions.

At first blush, that issue--whether Section 201(c) permits defendants to include plaintiffs' material in the Replica portion, assuming for the sake of argument that plaintiffs retain copyright in their individual contributions-- seems the same as that in *Greenberg*. Defendants, however, contend that (1) the issues are not identical and, in any case, (2) *Greenberg* should not be given preclusive effect in light of the Supreme Court's subsequent decision in *New York Times, Inc. v. Tasini*, [41] because they lacked a full and fair opportunity to litigate the relevant issue in *Greenberg* [42] and for other reasons.

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[41] 533 U.S. 483, 121 S.Ct. 2381, 150 L.Ed.2d 500 (2001).

[42] *E.g., Kremer v. Chem. Constr. Corp.*, 456 U.S. 461, 480-81, 102 S.Ct. 1883, 72 L.Ed.2d 262 (1982) ("[T]he judicially created doctrine of collateral estoppel does not apply when the party against whom the earlier decision is asserted did not have a 'full and fair opportunity' to litigate the claim or issue."); *Allen v. McCurry*, 449 U.S. 90, 95, 101 S.Ct. 411, 66 L.Ed.2d 308 (1980) (holding that "the concept of collateral estoppel cannot apply when the party against whom the earlier decision is asserted did not have a 'full and fair opportunity' to litigate that issue in the earlier case."); *Montana v. United States*, 440 U.S. 147, 164 n. 11, 99 S.Ct. 970, 59 L.Ed.2d 210 (1979) ("Redetermination of issues is warranted if there is reason to doubt the quality, extensiveness, or fairness of procedures followed in prior litigation."); *Epperson v. Entm't Express, Inc.*, 242 F.3d 100, 108 (2d Cir.2001) ("Because the issue ... was not actually litigated and actually decided in the first action, plaintiffs are not barred by collateral estoppel from raising it in the second action.").

(1) Reproduction

The first question is whether defendants' contention that the CNG is a "reproduction" of the *Magazine* under Section 201(c) was litigated and necessarily decided in *Greenberg*.

There is language in the Eleventh Circuit's opinion to the effect that the CNG is neither a revision *nor* a reproduction of the *Magazine* for Section 201(c) purposes.

The district court opinion, however, stated that defendants relied upon the revision prong of Section 201(c) and dealt only with that issue. [43] There is no suggestion that defendants argued that the CNG is a reproduction. Thus, notwithstanding the language in the circuit's opinion, it is not clear whether the reproduction question actually was litigated, let alone necessarily decided. [44] Nevertheless, in view of the discussion that follows it is unnecessary to decide whether defendants are foreclosed on their reproduction argument.

(2) Revision

The next question is whether the "revision" issue decided

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[43] *Greenberg*, 1998 U.S. Dist. LEXIS 18060, at *6.

[44] Although certain plaintiffs in *Faulkner* and *Hiser* assert that defendants invoked Section 201(c)'s reproduction and revision provisions before the Eleventh Circuit, *see* Psihoyos Pl. Opp. Mem. (*Faulkner/Hiser*) 15 (citing *Greenberg*, 244 F.3d at 1272), the Eleventh Circuit's opinion describes defendants as arguing only whether "its use of Greenberg's photographs constitutes a 'revision' of the *Magazine*." *Greenberg*, 244 F.3d at 1272.

in *Greenberg* is identical to that tendered here.

Defendants argued in the district court in *Greenberg* that the CNG "constitutes a 'revision' of that collective work [i.e., the *Magazine*] within the meaning of 17 U.S.C. § 201(c)." [45] The district court agreed. [46] The Eleventh Circuit rejected that argument. [47] The identity of the revision issue in *Greenberg* and this case is evident. Accordingly, defendants are foreclosed from asserting that the CNG is a "revision" permitted by Section 201(c) unless there is some other basis for declining to accord *Greenberg* preclusive effect. Defendants make a number of arguments, but it is necessary to deal only with one.

c. The Effect of Tasini

The Supreme Court has held that "a judicial declaration intervening between ... two proceedings may so change the legal atmosphere as to render the rule of collateral estoppel inapplicable." [48] Defendants contend that the Supreme Court's decision in *Tasini*, which postdated *Greenberg*, had precisely this effect.

Tasini was an infringement suit by freelance authors

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[45] *Greenberg*, 1998 U.S. Dist. LEXIS 18060, at *6.

[46] *Id.* at *10.

[47] *Greenberg*, 244 F.3d at 1273.

[48] *Comm'r of Internal Revenue v. Sunnen*, 333 U.S. 591, 600, 68 S.Ct. 715, 92 L.Ed. 898 (1948) (citing cases); *see also Monahan v. New York City Dep't of Corr.*, 214 F.3d 275, 290 (2d Cir.2000) ("*Res judicata* and collateral estoppel do not cement the *status quo* into perpetuity.").

based upon the inclusion of their contributions to earlier collective works in three products: LEXIS/NEXIS, New York Times OnDisc ("NYTO"), and General Periodicals OnDisc ("GPO"). LEXIS/NEXIS is a searchable online database that displays, outside of their original contexts, the text of individual articles from hundreds of publications. NYTO and GPO both are searchable CD-ROM databases. NYTO identifies and displays the texts of articles from *The New York Times*. Like LEXIS/NEXIS, it presents articles out of their original context. GPO is an image-based product that reproduces articles from approximately two hundred publications, including *The New York Times* Sunday book reviews and Magazine. Unlike an article displayed by LEXIS/NEXIS and NYTO, a GPO article appears "exactly as it appeared on printed pages, complete with photographs, captions, advertisements, and other surrounding materials." [49] A GPO article, however, appears "without any material published on other pages of the original periodical." [50]

The *Tasini* defendants contended that the three databases at issue were "revisions" of the collective works and thus that their publication was permitted by Section 201(c). The Supreme Court, however, determined that a key factor was how the articles are "presented to, and perceptible by, the user of the Databases." [51] In other words, "the question is not whether a user can generate a revision of a collective work from a database, but whether the database itself perceptibly presents the author's

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[49] *Tasini*, 533 U.S. at 491, 121 S.Ct. 2381.

[50] *Id.* at 500, 121 S.Ct. 2381.

[51] *Id.* at 499, 121 S.Ct. 2381.

contribution as part of a revision of the collective work." [52] In the course of its analysis, the Court considered the analogies, pressed by the defendants, of microfilm and microfiche, noting:

> "Microforms typically contain continuous photographic reproductions of a periodical in the medium of miniaturized film. Accordingly, articles appear on the microforms, writ very small, in precisely the position in which the articles appeared in the newspaper.... True, the microfilm roll contains multiple editions, and the microfilm user can adjust the machine lens to focus only on the Article, to the exclusion of surrounding material. Nonetheless, the user first encounters the Article in context. In the Databases, by contrast, the Articles appear disconnected from their original context." [53]

It ultimately concluded that "the databases reproduce and distribute articles *standing alone and not in context*, not 'as part of that particular collective work' to which the author contributed, 'as part of ... any revision' thereof, or 'as part of ... any later collective work in the same series.'" [54] Accordingly, it rejected the defendants' Section 201(c) argument. [55]

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[52] *Id.* at 504, 121 S.Ct. 2381.

[53] *Id.* at 501, 121 S.Ct. 2381.

[54] *Id.* at 488, 121 S.Ct. 2381 (emphasis added).

[55] *Id.*

The factual basis for this conclusion with respect to LEXIS/NEXIS and NYTO was self evident--each of those services displayed only the text of the articles divorced even from the rest of the pages on which the articles first appeared. Although GPO was an image-based

The defendants here suggest that *Tasini* made clear what the *Greenberg* panel, in their view, misunderstood: as long as an individual work appears in its original context, the resulting product qualifies as a permissible reproduction or revision of a collective work under Section 201(c). They press the microform analogy, arguing that the CNG is precisely the kind of product evidently envisioned by the Court as being consistent with the rights possessed by the holder of a copyright in a collective work under Section 201(c). The question pertinent to the collateral estoppel issue, however, is whether *Tasini* so altered the environment as to warrant a fresh look at the Section 201(c) revision issue in this case.

At the outset, it is important to recognize that plaintiffs here seek to employ non-mutual offensive collateral estoppel--that is, they wish to use offensively against defendants a judgment in a case to which plaintiffs were not parties. This variant of the doctrine was not sanctioned by the Supreme Court until 1979, which even then recognized that the justifications for collateral estoppel in this setting are not as strong as in cases in which the prior judgment is used defensively. [56] Indeed,

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product in which the articles appeared as they did in print, the material published on pages before and after those containing the search-identified articles were not displayed when viewing those articles. The Court reasoned that whether an article appears as a text-based file through LEXIS/NEXIS or NYTO, or as an image-based replica through GPO, "we cannot see how the Database perceptibly reproduces and distributes the article 'as part of' either the original edition or a 'revision' of that edition." *Id.* at 500, 121 S.Ct. 2381.

[56] *Parklane Hosiery Co. v. Shore*, 439 U.S. 322, 329-31, 99 S.Ct. 645, 58 L.Ed.2d 552 (1979).

it concluded "that the preferable approach for dealing with these problems ... is not to preclude the use of offensive collateral estoppel, but to grant trial courts broad discretion to determine when it should be applied."[57]

In exercising this discretion, a court naturally must consider the extent to which nonmutual offensive collateral estoppel would serve the ends that gave rise to the doctrine. Collateral estoppel serves primarily two purposes. It protects "litigants from the burden of relitigating an identical issue with the same party or his privy and [it] promot[es] judicial economy by preventing needless litigation."[58] In the offensive nonmutual setting, however, the first of these purposes is not served at all.[59]

Plaintiffs, for example, have not previously litigated the Section 201(c) issue. They have no interest in repose or reliance that warrants protection. They have no right to benefit from the prior decision except to the extent that it is persuasive. The justification, if justification there be, for applying the doctrine here would be only to prevent defendants from imposing unduly on judicial resources by relitigating the issue they lost in *Greenberg*.

As the characteristics of the CNG have not changed in any material way, the issue in this case is one of law or, at least, the application of law to undisputed facts. Defendants thus are not asking the Court to revisit a question that initially required a perhaps complex factual

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[57] *Id.* at 331, 99 S.Ct. 645.

[58] *Id.* at 326, 99 S.Ct. 645.

[59] *See id.* at 326-27, 99 S.Ct. 645; *see also LeBlanc-Sternberg v. Fletcher*, 67 F.3d 412, 433-34 (2d Cir.1995).

determination, a situation in which the concern for judicial economy is especially strong. This of course is not to say that there is no interest in precluding relitigation of essentially legal issues. But that interest is served also "by the more flexible rule of *stare decisis*." [60] So the matter comes down to whether the benefit gained by foreclosing relitigation of such a question is outweighed by any benefits of allowing it, subject of course to an obligation to give to the prior decision such weight as its persuasive force commands in the present legal environment. The existence of that obligation mitigates the burden of relitigating the legal questions and suggests that the extent to which the subsequent developments must have changed the environment need not be especially great to justify a fresh look at such an issue.

The authorities bear this out, especially in the context of this case. The Second Circuit has adopted the rule of the Restatement, viz. that preclusion is inappropriate, even as between the same parties, where "a new determination is warranted in order to take account of an intervening change in the applicable legal context or otherwise to avoid inequitable administration of the laws." [61] Where preclusion is sought on behalf of a stranger to the prior litigation--i.e., in the case of nonmutual offensive use--the Restatement goes even further. It regards preclusion in

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[60] Restatement (Second) of Judgments § 29 cmt. i (1982) (hereinafter Restatement).

[61] *Haitian Centers Council v. McNary*, 969 F.2d 1350, 1356 (2d Cir.1992) (quoting RESTATEMENT § 28(2)(b)) (internal quotation marks omitted), *rev'd on other grounds sub nom. Sale v. Haitian Centers Council*, 509 U.S. 155, 113 S.Ct. 2549, 125 L.Ed.2d 128 (1993).

such cases as inappropriate also if "[t]he issue is one of law and treating it as conclusively determined would inappropriately foreclose opportunity for obtaining reconsideration of the legal rule upon which it was based" or if "other compelling circumstances make it appropriate that the party be permitted to relitigate the issue." [62]

To be sure, much of this language is so general as to provide limited guidance for deciding specific cases. But the comments flesh it out. Comment i to Section 29 indicates that "the rule of preclusion should ordinarily be superseded by ... *stare decisis*" where the issue may be appealed to an appellate court of jurisdiction coordinate to that which rendered the prior decision or where "the issue is of general interest and has not been resolved by the highest appellate court that can resolve it." [63] Comment b to Section 28 states that another consideration relevant to whether issue preclusion should be applied is whether "application of the rule ... would impose on one of the parties a significant disadvantage, or confer on him a significant benefit, with respect to his competitors." [64]

Both of these considerations are pertinent here. The issue tendered by defendants--whether the CNG is a "revision" within the contemplation of Section 201(c)--requires construction of the 1976 Act in a new technological context. The question is whether a print publisher of a collective work is privileged to use the individual contributions in a digital version where (a) the

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[62] RESTATEMENT §§ 29(7)-29(8).

[63] *Id.* § 29 cmt. i.

[64] *Id.* § 28 cmt. b.

individual contributions are presented in the same contexts in which they appeared in print, and (b) the digital version contains also software or other materials that did not appear in the print version. This issue is one of substantial importance to the development of copyright law and to its impact on the dissemination of knowledge. The Second Circuit, to which any appeal here would be taken, of course is a jurisdiction coordinate to that of the Eleventh Circuit. In the event of a circuit conflict, the matter likely would go to the Supreme Court. A decision on the merits here thus would promote the development of the law on this important point. [65]

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[65] *United States v. Stauffer Chemical Co.*, 464 U.S. 165, 173, 104 S.Ct. 575, 78 L.Ed.2d 388 (1984), not cited by the parties, does not suggest otherwise. In *Stauffer*, the government had litigated and lost the question at issue in a suit in the Tenth Circuit against Stauffer Chemical. Subsequently, the government prevailed on precisely the same issue in a case against a different defendant in the Ninth Circuit. It then sought to relitigate the question against Stauffer in a third proceeding, this one on the Sixth Circuit. The Supreme Court, however, held that the government was collaterally estopped as against Stauffer Chemical. It rejected the government's contention that such a ruling was unwarranted in view of the intervening Ninth Circuit decision, stating that there was no reason to allow the government "to litigate twice with the same party an issue arising in both cases from virtually identical facts" and that an exception to the doctrine of collateral estoppel "in this case would substantially frustrate the doctrine's purpose of protecting litigants from burdensome relitigation and of promoting judicial economy." *Id.* at 172, 104 S.Ct. 575.

This case is quite different. First, *Stauffer*, unlike this case, involved defensive mutual collateral estoppel, as the government was attempting to relitigate the same issue against the same party. The interest in repose that undergirded the Supreme Court's decision is absent here. Second, any change in the legal environment in *Stauffer* was considerably less significant than that in this case. The intervening development was merely a conflicting decision in another

Nor should the commercial interest of the defendants be ignored. The NGS is not the only publisher of collective works that has published, or yet may publish, a digital archive of its print publications. The NGS's competitors are free to challenge the rule announced in *Greenberg* and, if successful, would be entitled to bring out digital versions without obtaining additional rights from any holders of copyright in individual contributions to the print versions of their collective works. Should that occur, and if the NGS were foreclosed by collateral estoppel from relitigating the issue decided in *Greenberg*, the NGS would be placed at a disadvantage with respect to its competitors. It would be blocked from proceeding with the CNG absent the purchase of additional rights from individual authors and photographers while its competitors would face no such hurdle.

These considerations support the view that the extent to which the legal terrain must have been changed by *Tasini* to warrant reexamination of *Greenberg* is modest. Indeed, one leading commentator has said that "Supreme Court clarification of issues that had been debated or uncertain in the lower courts is ... a proper justification for avoiding preclusion" [66] and that "mere general growth

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circuit, a reasonably common occurrence that ordinarily is resolved over time by Supreme Court resolution of the conflict. Here, in contrast, the subsequent development is a Supreme Court decision that suggests a substantial difference in approach from that adopted by the *Greenberg* court. Applying collateral estoppel here would deprive the Supreme Court of the benefit of the views of another circuit and thus retard or, perhaps, prevent the development of the law in this important area.

[66] 18 Charles Alan Wright, Arthur R. Miller and Edward H. Cooper, Federal Practice and Procedure: Jurisdiction 2d § 4425, at 675 (2002); *see also Minnis v. United States Dep't of Agriculture*, 737 F.2d 784,

of a body of law may defeat preclusion, although care should be taken lest insufficient 'changes' of 'law' defeat preclusion by simply allowing reconsideration of a point once lost." [67] But it is unnecessary to rely on the broadest of these statements, as the change worked by *Tasini* was substantial by any measure.

Greenberg resolved the revision issue by looking to the question whether the CNG contained independently copyrightable elements in addition to the previously published collective works, i.e., the *Magazine*. *Tasini* took a different approach. It focused instead on whether the individual contributions appeared in the putative revisions--the electronic databases--in the same contexts in which they appeared in the original collective works. Moreover, its reference to the microform analogy has significant implications for the CNG. Accordingly, while it perhaps is possible, as a matter of formal logic, to reconcile the holdings of *Tasini* and *Greenberg*, [68] the difference in the Supreme Court's approach to the revision issue nonetheless is striking. [69]

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786 n. 1 (9th Cir.1984), *cert. denied*, 471 U.S. 1053, 105 S.Ct. 2112, 85 L.Ed.2d 477 (1985).

[67] 18 Charles Alan Wright, Arthur R. Miller and Edward H. Cooper, Federal Practice and Procedure: Jurisdiction 2d § 4425, at 677-79.

[68] It is logically possible that *both* the absence of independently copyrightable additions and the presentation of the individual contributions in the contexts in which they first appeared are indispensable to revision status under Section 201(c)

[69] *See e.g.*, Amir A. Naini, *New York Times Co. v. Tasini*, 17 BERK. TECH. L.J. 9, 20-21 (2002) (absence of discussion of presence of copyrightable software component in § 201(c) analysis "notable" and suggests that "it is comparatively less important to a section 201(c)

The Psihoyos Plaintiffs argue that this difference in approach is insufficient to justify a refusal to apply collateral estoppel here, relying principally on three Second Circuit cases, Staten Island Rapid Transit Operating Auth. v. ICC [70] ("SIRTOA"), NLRB v. United Technologies Corp. [71] and *Zdanok v. Glidden Co.* [72] But *SIRTOA* favors defendants here, [73] and *United*

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analysis" than indicated in *Greenberg*).

[70] 718 F.2d 533 (2d Cir.1983).

[71] 706 F.2d 1254 (2d Cir.1983).

[72] 327 F.2d 944 (2d Cir.1964).

[73] In *SIRTOA*, the Staten Island Rapid Transit Operating Authority in 1974 obtained a state court anti-strike injunction under the Taylor Law. The state court then held that SIRTOA was an intrastate carrier and thus subject to state rather than federal law. In 1978, the union brought actions claiming that SIRTOA was subject to the Railway Labor Act ("RLA") and that the Taylor Law was preempted. The district court abstained in favor of the Interstate Commerce Commission ("ICC"), which held that SIRTOA was a "carrier" and therefore subject to the RLA. The district court then adopted the ICC decision and granted the union's motion for summary judgment.

On appeal, the employer contended that the union was collaterally estopped by the state court judgment and that its claim should have been dismissed. But the Second Circuit rejected the argument on the ground, *inter alia*, that the ICC decision was an intervening change or special circumstance warranting an exception to the normal rules of preclusion. *SIRTOA* thus supports the view that *Tasini* warrants a fresh look at the Section 201(c) issue. Indeed, the case for making an exception to the normal rule of preclusion was even weaker in *SIRTOA* than here because the parties there were substantially the same. SIRTOA, having previously litigated the issue with the union in the state court, had a reliance interest in the enforcement of the state court judgment that the plaintiffs here lack.

Technologies and *Zdanok* do not go nearly as far as these plaintiffs would have it. [74]

This Court is convinced, both as a matter of law and in the exercise of discretion, that application of collateral estoppel to foreclose defendants from asserting that the CNG is a privileged revision of the *Magazine* would disserve the public interest in having the important issue presented here resolved definitively and would be

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[74] In *United Technologies*, the Second Circuit held that the NLRB was collaterally estopped by a prior Second Circuit decision, which had held lawful the enforcement of a company rule barring solicitation on company premises during working hours, to attack the same rule as an unfair labor practice. The NLRB contended that an intervening Supreme Court decision had so changed the atmosphere as to reopen the issue. But the Court of Appeals rejected the argument on the grounds that (1) the Supreme Court's decision focused on "the interplay between two factors--neither of which was at issue in" the prior Second Circuit decision, and (2) there was no indication that the Supreme Court had intended to deal with the issue then before the Court of Appeals. 706 F.2d at 1263-64. *United Technologies* therefore does not compel the conclusion that *Tasini* did not make a substantial change in the legal environment relevant here when it held that the relevant focus in determining whether a subsequent collective work is a "revision" is on the context in which original contributions appear as distinguished from whether the putative "revision" contains independently copyrightable material. The Psihoyos Plaintiffs rely also on *Zdanok v. Glidden Co.*, 327 F.2d 944 (2d Cir.1964), for the proposition that doubt about the validity of a prior ruling does not justify the refusal to apply collateral estoppel. Pl. Opp. Mem. (*Psihoyos* DI 14) 23-24. The general principle of course is correct. But *Zdanok* was a much weaker case for reexamining a prior holding. Among other factors, the intervening decision relied upon as changing the legal environment was another Court of Appeals decision, not a Supreme Court ruling. *Zdanok*, 327 F.2d at 950-53. Moreover, the prior decision had been rendered by a different Second Circuit panel. Reexamination therefore would have implicated concerns for inter-panel consistency and *en banc* procedure that are not present here.

inequitable. It therefore holds that defendants are not foreclosed on the revision issue by *Greenberg*.

2. The Merits

Section 201(c) creates a privilege in the publisher of a collective work for "reproduction" of "that particular collective work, any revision of that collective work, and any later collective work in the same series" but does not define any of those terms. The phrase "that particular collective work" obviously includes "a specific edition or issue of a periodical." [75] The meaning of the remaining terms, however, is far from self evident.

Where, as here, the language of the statute is unclear, resort to legislative history is appropriate. [76] The most pertinent indication is in the House Judiciary Committee Report, which states in relevant part:

> "Under the language of this clause a publishing company could reprint a contribution from one issue in a later issue of its magazine, and could reprint an article from a 1980 edition of an encyclopedia in a 1990 revision of it; the publisher could not revise the contribution itself or include it in a new anthology or an entirely different magazine or other collective work." [77]

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[75] *Tasini v. New York Times Co.*, 206 F.3d 161, 167 (2d Cir.2000), *aff'd*, 533 U.S. 483, 121 S.Ct. 2381, 150 L.Ed.2d 500 (2001).

[76] *Blum v. Stenson*, 465 U.S. 886, 896, 104 S.Ct. 1541, 79 L.Ed.2d 891 (1984); *Marvel Characters, Inc. v. Simon*, 310 F.3d 280, 290 (2d Cir.2002).

[77] H.R. REP. No. 94-1476, 94th Cong., 2d Sess. 122-23 (1976), *reprinted in* 5 U.S.C.C.A.N. 5659, 5738 (1976).

A staff report expressed much the same idea, stating that the privilege did not permit "inclusion of [an author's] contribution in anthologies or other entirely different works." [78]

These comments are instructive. The use of the term "entirely different" to describe a new work not privileged by Section 201(c) suggests that the privilege extends to a collective work that is merely somewhat different from the original in which the contribution appeared. This view is supported strongly by the Judiciary Committee's encyclopedia revision example. An encyclopedia typically is a collective work consisting of individual articles dealing with the various subjects treated. As time goes by, some articles become outdated and new subjects come into being. A revised edition of an encyclopedia thus would contain some articles that have been revised to take account of new learning and some entirely new articles, as well as some articles in precisely their original forms. Each revised and new article would be copyrightable independently. Hence, *Greenberg's* holding-that the presence of independently copyrightable material is inconsistent with a conclusion that the CNG is a "revision" of the print versions of the *Magazine*-- cannot be reconciled with the legislative history. Indeed, it "defies the very legislative history" upon which the Eleventh Circuit relied. [79]

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[78] *Staff of the House Comm. on the Judiciary*, 89th Cong., 1st Sess., Copyright Law Revision, Part 6: Supplementary Report of the Registrar of Copyrights on the General Revision of the U.S. Copyright Law: 1965 Revision Bill (Comm. Print 1965) at 69 ("Supplementary Report").

[79] Jennifer L. Livingston, Casenote, *Digital "Revision": Greenberg v.*

What then distinguishes a "revision" from an "entirely different" work? As the Supreme Court noted in *Tasini*, Section 201(c) was a compromise intended "to adjust the balance between" freelancers and publishers so that "[i]f there is demand for a freelance [work] standing alone or in a new collection, the Copyright Act allows the freelancer to benefit from that demand." [80] In determining whether the freelancer's work is part of a new collection as distinguished from a revision, the focus is on the manner in which it is "presented to, and perceptible by, the user." [81] A critical consideration is whether the original contribution is presented in the same context in which it appeared in the initial collective work, at least to such an extent that the new product "perceptibly presents the author's contribution as part of a revision of the collective work." [82] As the Register of Copyright wrote in a letter discussing *Tasini*:

National Geographic Society, 70 U.Cin.L.Rev. 1419, 1429-32 (2002) (hereinafter "Digital 'Revision' "). Plaintiff Ward relies for a contrary conclusion on a letter from the Register of Copyright written in 2001, twenty-five years after the enactment of the 1976 Act, in which the Register contended that the interpretation of Section 201(c) advanced in *Tasini* by the publishers was incorrect and unintended by Congress. Pl. Opp. Mem. (*Ward* DI 65) 8- 9 & Ex. 108. But that is not the issue here, as *Tasini*, unlike this case, involved the disassembly of the original collective works, following which the individual contributions were made available out of the contexts in which they had appeared. Moreover, plaintiff ignores the passage from the same letter discussed *infra*, which strongly suggests that the CNG is a revision within the meaning of Section 201(c).

[80] *Tasini*, 533 U.S. at 497, 121 S.Ct. 2381.

[81] *Id.* at 499, 121 S.Ct. 2381.

[82] *Id.* at 504, 121 S.Ct. 2381.

"The legislative history of § 201(c) supports this conclusion [i.e., that the NEXIS database at issue in *Tasini* was not a revision]. It offers, as examples of a revision of a collective work, an evening edition of a newspaper or a later edition of an encyclopedia. *These examples retain elements that are consistent and recognizable from the original collective work so that a relationship between the original and the revision is apparent. Unlike NEXIS, they are recognizable as revisions of the originals.* But as the Second Circuit noted, all that is left of the original collective works in the databases involved in Tasini are the authors' contributions.

"It is clear that the databases involved in Tasini constitute, in the words of the legislative history, 'new,' 'entirely different' or 'other' works. *No elements of arrangement or coordination of the pre-existing materials contained in the databases provide evidence of any similarity or relationship to the original collective works to indicate they are revisions.*"[83]

In this case, with a few immaterial exceptions, each issue of a regional edition of the *Magazine* was scanned, page by page, into a computer system, creating an exact image of each and every page as it appeared in that edition of the *Magazine*. There are no changes to the content, format or appearance of the issues of the *Magazine* reproduced in the CNG. Each page of each issue appears to the user exactly as it was in the scanned print version

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[83] 147 CONG. REC., E182-02, E183 (daily ed. Feb. 14, 2001) (emphasis added).

of the *Magazine*, including all text, images, advertising and attributions. The issues of the *Magazine* appear chronologically, from the earliest at the beginning of the first CD to the latest at the end of the last. Pages may be viewed only as they appeared in the print versions of the *Magazine*. [84] The material, once it is accessed via the software, is "presented to, and perceptible by, the user" precisely as it appeared in print. In this respect, therefore, it is precisely comparable to the microforms to which the Supreme Court referred approvingly in *Tasini*. [85] It certainly contains "elements that are consistent and recognizable from" the *Magazine* "so that a relationship between the original and the [CNG] is apparent."

Plaintiffs nevertheless resist the conclusion that the CNG is a reproduction or revision of the *Magazine*. While

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[84] Fahey Decl. (*Ward* DI 60) ¶ 9; Fahey Decl. (*Psihoyos* DI 5) ¶ 9-10.

[85] The *Psihoyos* Plaintiffs argue that the CNG is not a revision under Section 201(c) because the original collective work in each case is the particular issue of the *Magazine* in which their works first appeared, not a collection of the 1,285 issues that appear in the CNG. In consequence, they contend, the CNG cannot be a revision of "that particular collective work," i.e., a particular issue of the *Magazine* in which their work appeared. Pl. Opp. Mem. (*Psihoyos* DI 14) 37-38; Psihoyos Pl. Opp. Mem. (*Faulkner/Hiser*) 37-38. In *Tasini*, however, the Supreme Court strongly suggested that this argument lacks merit when it indicated that *The New York Times* probably was entitled to include in its microfilm edition an article first published in a particular daily print number of the newspaper, despite the fact that "the microfilm roll contains multiple editions, and the microfilm user can adjust the machine lens to focus only on the Article, to the exclusion of the surrounding material," because "the user first encounters the Article in context." 533 U.S. at 501, 121 S.Ct. 2381. The same is true of the CNG, and this Court finds the Supreme Court's analysis, although it is *dictum*, persuasive.

the arguments overlap and are somewhat diffuse, they boil down to two points:

- The CNG contains material that never appeared in the *Magazine*--not only the animated opening sequence and music, Kodak advertisements, and in some editions a summary of each article and a closing montage, but software tools including a search engine with advanced search capabilities, save, print and bookmark features, and a hyperlink to NGS's Internet web site.

- The software tools provide the user with an opportunity to have a media experience in using the CNG that is different from simply reading print pages.[86]

As the foregoing discussion indicates, the first of these contentions is without merit. Congress quite clearly intended that the Section 201(c) revision privilege extend to collective works which, like the revision of an encyclopedia, contain original contributions along with new or updated material. Thus, the fact that the CNG contains elements that did not appear in the print editions of the *Magazine* is insufficient to foreclose Section 201(c) protection. [87]

Plaintiffs' second argument is evocative of the Eleventh

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[86] Pl. Opp. Mem. (*Ward* DI 65) 6-8; Pl. SJ Mem. (*Ward* DI 64) 27-28; Pl. Opp. Mem. (*Faulkner* DI 85) 7-9; Pl. Opp. Mem. (*Psihoyos* DI 14) 33-36; Pl. SJ Mem. (*Faulkner* DI 77) 7-8.

[87] By parity of reason, plaintiff Ward's contention that the bundling of some CNG products with computer hardware products takes the CNG out of the protection of Section 201(c), *see* Pl. SJ Mem. (*Ward* DI 64) 28, is without merit.

Circuit's suggestion that the CNG is "a new product ('an original work of authorship'), in a new medium, for a new market" and thus not protected by Section 201(c).[88] That suggestion itself is largely unpersuasive. Every revision is an original work of authorship and therefore a new product, yet each is protected by Section 201(c). The fact that this product appears in a new medium makes no difference, in and of itself, as media neutrality is a fundamental principle of the Copyright Act.[89] So what remains is the contention that the user experience with the CNG--its easy searchability and other attractive

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[88] 244 F.3d at 1273.

[89] *E.g.*, *Tasini*, 533 U.S. at 501-02, 121 S.Ct. 2381 (transfer of work between media does not alter its character for copyright purposes); Mark B. Radefeld, Note, *The Medium is the Message: Copyright Law Confronts the Information Age in* New York Times v. Tasini, 36 AKRON L. REV. 545, 571-72 (2003); Michael A. Forhan, Note, Tasini v. New York Times: *The Write Stuff for Copyright Law?* 27 CAP. U.L.REV. 863, 867 (1999).

The legislative history only "confirms the fundamental principle of medium [sic] neutrality which is the bedrock of the 1976 Act." Def. Mem. (*Psihoyos* DI 11) 16. Indeed, as defendants point out, testimony in hearings before the House Committee on the Judiciary evidences an intent for Section 201(c) to encompass future technology. As George Cary of the Copyright Office stated in response to a question from Representative Kastenmeier about whether the revisions to the Copyright Law could accommodate future technologies, "[y]ou can read the bill from beginning to end and you won't find in it any reference to computers ... Yet these are one of the coming instruments of communication in the future. We have tried to phrase the broad rights granted in such a way that they can be adapted as time goes on to each of the new advancing media. This is our hope." *Hearing on H.R. 4347, H.R. 5680, H.R. 6831, H.R. 6835 Before the House Comm. on the Judiciary*, Copyright Law Revision, 89th Cong., 1st Sess. at 57 (1965).

software-dependent features--is so different from that with the *Magazine* itself that the CNG should be regarded as an "entirely different" work. [90]

It is difficult to see why this should take the CNG out of Section 201(c). The predominant differences between the *Magazine* and the CNG are the CNG's convenient physical "package" and the software that provides easy searchability, i.e., the animated opening sequence and other such material and the search engine, respectively. Such technological advances have occurred before. Hard as it may be, from a twenty-first century vantage point, to regard the binding of individual issues of periodicals into more convenient stiff backed volumes and the addition of printed indices as technological advances, that is what they were - stiff bindings improved the physical characteristics of the periodicals, and indices are search engines that improved their searchability. Yet no one here suggests that the NGS's bound volumes and its addition of indices infringe the copyrights of individual contributors. And the obvious common sense of that

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[90] Plaintiffs in No. 02 Civ. 6623 rely on *Random House, Inc. v. Rosetta Books LLC*, 150 F.Supp.2d 613 (S.D.N.Y.2001), *aff'd*, 283 F.3d 490 (2d Cir.2002) for the proposition that the interactive nature of the CNG takes the product out of the protection of Section 201(c). Pl. Opp. Mem. (*Psihoyos* DI 14) 40-41. *Rosetta* simply does not stand for that proposition.

The passage quoted by plaintiffs in their brief comes from a passage in which the Court holds that e-books are a different medium than print books, distinguishing the case from "new use" cases within the same media. *Rosetta*, 150 F.Supp.2d at 622-23. It is not disputed here that CNG is a different medium than the *Magazine*. Regardless, the case at bar is distinguishable from *Rosetta*, as the latter was a contract case focusing on licensing contracts and not copyright ownership under Section 201(c).

reticence applies to the CNG as well. In each case, the material fact is that the content of the product, whether the CNG or the indexed bound volumes, that users wish to see is identical to the original print versions, the individual issues of the *Magazine*. In each case, the content that motivates purchasers is the underlying collective work for which the plaintiffs granted rights. The fact that more purchasers may be interested because the package is more attractive than a library full of more than 112 years of monthly copies of the *Magazine* is immaterial. [91]

As the Supreme Court said in *Tasini*, the accommodation struck by Section 201(c) was to allow a freelancer to benefit where "there is demand for a freelance article standing alone or in a new collection." [92] But the CNG is not a new collection. Nor is it, in words the House Judiciary Committee used to articulate the limits of the Section 201(c) privilege, "a new anthology or an entirely different magazine or other collective work." [93] Rather, it

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[91] So too is another of plaintiffs' contentions, viz. that images and text may be "cut" from a digital CNG "page" and electronically "pasted" into another file or text. *See, e.g.*, Pl. Opp. 56.1 St. (*Ward* DI 66) ¶ 11; Pl. Joint Reply 56.1 St. (*Faulkner* DI 87) ¶ 11; Psihoyos Decl. (*Psihoyos* DI 14) ¶¶ 28-31. The same could be said of the *Magazine*. A user of a print copy of the *Magazine* could physically cut an image from the issue and paste it elsewhere, or reproduce it by photography or electronic scanning. But all of this is beside the point. What is significant is that the plaintiffs' works appear in the CNG in the same context in which they appeared in print, not that a user could remove them from that context by manipulating the storage medium.

[92] *Tasini*, 533 U.S. at 497, 121 S.Ct. 2381.

[93] H.R. REP. No. 94-1476, 94th Cong., 2d Sess. 123 *reprinted in* 5 1976 U.S.C.C.A.N. 5659, 5738 (1976).

is a package that contains substantially everything that made the *Magazine* copyrightable as a collective work - the same original collection of individual contributions, arranged in the same way, with each presented in the same context. It is readily recognizable as a variation of the original. Accordingly, the Court holds that the CNG is a revision of the individual print issues of the *Magazine;* it respectfully disagrees with so much of *Greenberg* as held otherwise. [94]

B. Effect of Section 201(c) on Pre-1978 Works

The Court's previous opinions determined that the NGS owned copyright in some of the Pre-1978 Works while issues of fact exist concerning ownership of others. NGS argues, however, that these issues are immaterial because Section 201(c) protects the use of the Pre-1978 Works in the CNG.

As the Second Circuit said in *Roth v. Pritikin,* [95] "[w]hoever holds an interest in copyright on or after January 1, 1978, has a right to the protections afforded by the new statute [i.e., the 1976 Act], although the creative work may previously have been governed by the 1909 Act or the common law." In other words, the 1976 Act does not "purport to determine who holds a copyright for

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[94] As no work of any plaintiff here appears in the Moving Cover Sequence, this Court expresses no opinion as to whether such use would come within the Section 201(c) privilege. *See Digitial "Revision,"* 70 U. CINN. L.REV. at 1432-33 (§ 201(c) privilege not "an 'all or nothing' scheme under which a collective work is either entirely infringing or entirely privileged").

[95] 710 F.2d 934, 938 (2d Cir.1983).

works created before January 1978. It merely clarifies the rights of individuals owning copyrights on that date, whomever [*sic*] they may be." [96]

The NGS at all relevant times owned the copyrights in issues of the *Magazine* published before and after January 1, 1978. In consequence, the privileges conferred upon it by Section 201(c) as the holder of those copyrights govern regardless of when they were published. Accordingly, to whatever extent that Section 201(c) protects publication of the CNG, it does so regardless of whether the NGS or plaintiffs own the copyrights in plaintiffs' individual contributions. Indeed, plaintiffs do not dispute this point. [97]

C. The Right of NGS and NGE to Invoke Section 201(c)

A number of plaintiffs, but not all, contend that defendants may not invoke Section 201(c) because the copyrights in the collective works, the issues of the *Magazine*, are owned by an entity other than the creator

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[96] *Id.*

[97] This Court previously determined, in ruling on motions addressed exclusively to issues under the Copyright Act of 1909, that plaintiff Fred Ward owned the copyright in a photograph of President Kennedy that appeared in a November 1966 *Magazine* story, "The Living White House," and stated that Ward was entitled to partial summary judgment as to liability for infringement by virtue of its inclusion in the CNG. *Ward*, 208 F.Supp.2d at 448-51. As the prior motions dealt only with ownership of copyright under the 1909 Act, the effect of Section 201(c) was not then before the Court. The summary judgment ruling with respect to infringement of his copyright in this photograph was premature. Given the present holding that Section 201(c) authorized the National Geographic defendants to publish the CNG, Ward is not entitled to judgment with respect to that photograph notwithstanding his continued ownership of the copyright in it.

of the CNG. [98] In addition, all plaintiffs argue that the NGS's transfer to them of the copyrights in some of the contributions terminated any privilege it had under Section 201(c). [99]

1. NG Interactive and Mindscape

Certain plaintiffs argue that the revision privilege of Section 201(c) is conferred only on the owner of the copyright in the original collective work, that the CNG was not created by that owner, and that the Section 201(c) privilege therefore does not apply here. Defendants rejoin that NGS's privilege under Section 201(c) is transferable both to its subsidiary, NGI, and to Mindscape. [100] Thus, the Court must address two issues: (1) whether NGI, as a wholly-owned subsidiary of the owner of the copyright in the collective works, is entitled to avail itself of the Section 201(c) privilege, and (2) whether NGS, through its subsidiary NGI, was entitled to license that privilege to Mindscape, for manufacturing and distribution purposes.

a. NGI

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[98] Pl. Opp. Mem. (*Ward* DI 65) 13-20; Pl. SJ Mem. (*Faulkner* DI 77) 9-13. Plaintiffs' motion for summary judgment in Nos. 97 Civ. 9361 and 99 Civ. 12488 was on behalf of some, but not all, plaintiffs in those two actions, in particular those represented by the firm of Weingrad & Weingrad, LLP.

[99] Pl. SJ Mem. (*Ward* DI 64) 23-26; Pl. SJ Mem. (*Faulkner* DI 77) 17-18; Psihoyos Pl. Opp. Mem. (*Faulkner/Hiser*) 47-48; Pl. Opp. Mem. (*Psihoyos* DI 14) 46.

[100] Def. SJ Mem. (*Psihoyos* DI 11) 24; Def. Opp. Mem. (*Faulkner* DI 88) 16.

As a purely formal matter, there is, as these plaintiffs contend, a separation of the ownership of the copyrights in the collective works and the creator of the CNG. NGS, a not-for-profit entity, owns the copyrights in the issues of the *Magazine*. It licensed its wholly-owned subsidiary, NGV, to use those works. The CNG was created by Interactive, a division of a wholly-owned subsidiary of NGV, NGE. But the substance was different. Counsel to the NGS supervised the clearing of necessary rights and obtaining legal advice with respect to NGS's right to create the CNG. [101] NGS's board of trustees was kept informed of the project and ultimately had the power to disapprove the release of the product if it so desired. [102] Thus, the NGS owned the entire beneficial interest in and controlled the product.

Corporations of course are legal entities. In many circumstances, particularly those relating to the question whether their stockholders are personally responsible for their liabilities, the corporate form is respected absent extraordinary circumstances. [103] In construing statutes and contracts, perhaps among other situations, however, courts often focus on economic substance rather than form in order to give effect to the intent of the legislature or the contracting parties.

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[101] Def. Rep. Mem. (*Faulkner* DI 90; *Hiser* DI 44; *Ward* DI 71) Ex. O-17A, at 65-66 (Dupre Dep., Sept. 26, 2000).

[102] *Id.* Ex. O-21A, at 121-22 (Fahey Dep., Oct. 6, 2000).

[103] *E.g., Freeman v. Complex Computing Co.*, 119 F.3d 1044, 1052-53 (2d Cir.1997).

Sexton v. Nelson[104] is a good example. A California appellate court there upheld the transfer of a lease that contained an anti-assignment clause from a parent corporation to a wholly-owned subsidiary on the ground that the transfer was "merely ... a change in the legal form of a business and [did] not affect the interests of the party protected by the nonassignable provisions of the [contract]." [105]

The intra-enterprise conspiracy doctrine provides another example. Section 1 of the Sherman Act[106] prohibits contracts, combinations and conspiracies in restraint of trade. Strict regard to the corporate form would compel the conclusion that a parent corporation is legally capable of conspiring with its wholly-owned subsidiary. But the Supreme Court has rejected this formalistic view, holding that "the coordinated activity of a parent and its wholly-owned subsidiary must be viewed as that of a single enterprise" and, in consequence, that they are incapable as a matter of law of forming a conspiracy. [107] The Second Circuit has extended this principle to the civil rights laws, holding that a cooperative apartment corporation and its directors are incapable of forming a conspiracy under 42 U.S.C. § 1985(3). [108]

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[104] 228 Cal.App.2d 248, 39 Cal.Rptr. 407 (1964).

[105] 228 Cal.App.2d at 259, 39 Cal.Rptr. at 413.

[106] 15 U.S.C. § 1.

[107] *Copperweld Corp. v. Independence Tube Corp.*, 467 U.S. 752, 771, 104 S.Ct. 2731, 81 L.Ed.2d 628 (1984).

[108] *Girard v. 94th Street and Fifth Avenue Corp.*, 530 F.2d 66 (2d Cir.),

Congress was well aware of the often complex corporate structures of media and publishing enterprises.[109] Nevertheless, plaintiffs have drawn the Court's attention to nothing in the language or legislative history of the Act that suggests that Congress intended to attach any significance for purposes of Section 201(c) to whether a putative revision put out by a part of a particular media group is published by the same corporate entity that owns the copyright in the collective work. Acceptance of plaintiffs' argument thus would alter the balance that Congress struck by attaching legal significance to a purely formal matter that does not affect any legitimate substantive interest of the authors.

In view of NGS's beneficial ownership of and control of the subsidiaries here in question, they all are parts of the same economic enterprise. They are indistinguishable for purposes of Section 201(c).

b. Transferability of the Section 201(c) Privilege

Assuming *arguendo* that the separation within the National Geographic group between the ownership of the copyrights in the *Magazine* and the production of the

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cert. denied, 425 U.S. 974, 96 S.Ct. 2173, 48 L.Ed.2d 798 (1976); *see also Johnson v. Nyack Hosp.*, 954 F.Supp. 717 (S.D.N.Y.1997) (hospital incapable of conspiring with its own officials).

[109] *See Hearing on H.R. 4347, H.R. 5680, H.R. 6831, H.R. 6835 Before the House Comm. on the Judiciary*, Copyright Law Revision, 89th Cong., 1st Sess. (1965) (statements of Burton Lane, president of American Guild of Authors & Composers, and Hayward Cirker, president of Dover Publications).

CNG is inconsequential for Section 201(c) purposes, several plaintiffs nevertheless argue that the licensing of Mindscape to manufacture, reproduce and distribute the CNG was impermissible under the statute because NGS's privilege to use the individual contributions to the *Magazine* was not transferable. They liken the Section 201(c) privilege to a nonexclusive license, which is not transferable. [110]

The only court to deal with this particular issue, the district court in *Tasini*, rejected the very same argument. Judge Sotomayor there looked to the language of the statute itself and the legislative history to conclude that the Section 201(c) privilege may be transferred or licensed. [111] This Court agrees. No purpose would be served by repeating that analysis. [112]

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[110] Pl. Opp. Mem. (*Ward* DI 65) 17; *see also* Pl. SJ Mem (*Faulkner* DI 77) 10 ("a non-exclusive license does not transfer any rights of ownership ... and cannot [be] assign[ed] ... to a third-party without the consent of the copyright owner").

[111] *Tasini v. New York Times Co.*, 972 F.Supp. 804, 815-16 (S.D.N.Y.1997), *rev'd on other grounds*, 206 F.3d 161 (2d Cir.2000), *aff'd*, 533 U.S. 483, 121 S.Ct. 2381, 150 L.Ed.2d 500 (2001). Neither the Second Circuit nor the Supreme Court ruled on the transferability of the Section 201(c) privilege. The Supreme Court stated that "we neither decide nor express any view on whether the § 201(c) 'privilege' may be transferred." *Tasini*, 533 U.S. at 496 n. 5, 121 S.Ct. 2381.

[112] Ward's reliance on the Ninth Circuit's opinion in *Gardner v. Nike, Inc.*, 279 F.3d 774 (9th Cir.2002), also is misplaced. That case concerned the rights of an exclusive copyright licensee to sublicense those rights without the permission of the licensor. As defendants correctly point out, this case is distinguishable in that *Gardner* did not involve a separate copyright in a collective work owned by a publisher. Instead, *Gardner* concerned the classic situation of a

Accordingly, the Mindscape license does not deprive defendants of the protection of Section 201(c).

2. The Copyright Transfers

NGS transferred to certain of the plaintiffs the copyrights it owned in at least some of the articles and photographs in question. Plaintiffs contend that these transfers conveyed to them whatever revision rights otherwise NGS otherwise might have had and, in consequence, that defendants have no privilege under Section 201(c). The argument, however, is based on a fundamental misreading of the statute.

Section 201(c) presumptively confers the privilege of reproducing the separate contributions in reproductions, revisions, and later collective works in the same series on the owner of the copyright in the collective work "[i]n the absence of an express transfer of the copyright or of any rights under it." [113] The privilege is a component of the copyright in the collective work, not the copyrights in the individual contributions included in the collective work. The transfer of copyrights in an original contribution therefore does not affect the privilege of the owner of the copyright in the collective work. Plaintiffs' argument is entirely without merit.

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company sublicensing its rights to a cartoon character under an exclusive licensing agreement. The court held that the licensee did not have the right to sublicense the use of the cartoon character without the owner's permission.

[113] 17 U.S.C. § 201(c).

D. Contributory Infringement

The claims against Kodak and Mindscape are for contributory infringement. [114] To the extent that the alleged copyright infringement claims fail, plaintiffs cannot prevail on their contributory infringement claims.[115] Accordingly, the claims against Kodak and Mindscape will be dismissed *pari passu.*

E. The Poster

In 1988, the NGS created a poster to celebrate its centennial that was given to employees, friends of the Society, and as a free gift to purchasers of another NGS publication but never sold. It depicted all covers of the *Magazine* from 1960 forward and certain representative covers predating 1960. [116] The poster thus included cover photographs corresponding to three of Ward's stories, albeit greatly reduced in size. The complaint contends that the use of those photographs on the poster infringed Ward's alleged copyrights. NGS seeks dismissal of this claim on the ground of fair use. [117]

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[114] This Court previously dismissed all copyright infringement claims against Kodak for the Pre-1978 Works. *Faulkner*, 211 F.Supp.2d at 472-75.

[115] *See Matthew Bender & Co., Inc. v. West Publ'g Co.*, 158 F.3d 693, 706 (2d Cir. 1998).

[116] Clayman-DeAtley Decl. (*Ward* DI 60) ¶ 2 & Ex. A.

[117] Plaintiff Ward does not contest defendants' factual averments with respect to the poster claim. *See* Def. 56.1 St. (*Ward* DI 60) ¶¶ 40-41; Pl. Opp. 56.1 St. (*Ward* DI 66) ¶¶ 40-41. Defendants' averments therefore are deemed established. S.D.N.Y. CIV. R. 56.1.

The fair use defense is codified in Section 107 of the 1976 Act [118] and requires consideration of the purpose and character of the use, the nature of the copyrighted work, the amount and substantiality of the portion used in relation to the copyrighted work as a whole, and the effect of the use upon the potential market for or value of the copyrighted work. In this case, the use of the individual *Magazine* covers, in essence as part of a photo montage on a celebratory poster representing the long history of the NGS, was transformative. [119] The photographs had been published previously, so plaintiff's interest in controlling first publication is not at stake. [120] In all instances but one, the cover photographs were only a small part of Ward's copyrighted work, and the fact that the entire copyrighted work was used in the last instance does not preclude a fair use defense. [121] Finally, there is absolutely no basis for supposing that the use of a very small reproductions of a few of Ward's cover photographs along with scores of other cover photographs in a celebratory poster that never was sold had any detrimental effect on the market for those photographs.

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[118] 17 U.S.C. § 107.

[119] *See, e.g., Kelly v. Arriba Soft Corp.*, 336 F.3d 811, 818- 20 (9th Cir.2003).

[120] *See, e.g., Harper & Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 563-64, 105 S.Ct. 2218, 85 L.Ed.2d 588 (1985); *Arica Inst. v. Palmer*, 970 F.2d 1067 (2d Cir.1992).

[121] *See, e.g., Sony Corp. v. Universal City Studios, Inc.*, 464 U.S. 417, 104 S.Ct. 774, 78 L.Ed.2d 574 (1984); *Ringgold v. Black Entm't Television*, 126 F.3d 70 (2d Cir.1997); *Triangle Publ'ns, Inc. v. Knight-Ridder Newspapers*, 626 F.2d 1171, 1177 n. 15 (5th Cir.1980).

Accordingly, NGS's use of these photographs on the poster was a fair one, and it is entitled to dismissal of this claim. [122]

F. The Request to Declare that Certain Plaintiffs Are Entitled to Registration

Certain plaintiffs seek summary judgment declaring that they are entitled to registration of copyright in certain works. [123]

Section 411(a) of the 1976 Act provides in substance that registration of copyright is a prerequisite to the commencement of an infringement action unless registration has been sought and denied, in which case the applicant may sue "for infringement if notice thereof, with a copy of the complaint, is served on the Register of Copyrights." [124] The Register in such a case may become a party on the issue of registerability. [125] If the statute is complied with, the Court may review the denial of registration and allow maintenance of the action if the denial was incorrect. The Court further assumes without deciding that it may direct registration in an appropriate case. But the issue is not properly before the Court.

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[122] Ward's memorandum in opposition to defendants' motion does not argue otherwise.

[123] Douglas Faulkner in No. 97 Civ. 9361 and Sally Faulkner, Jacobson, Sartorelli and Jacobson in No. 99 Civ. 12488. (The notice of motion (*Faulkner* DI 76) purports to seek such relief on behalf of Douglas Faulkner also in No. 99 Civ. 12488. Douglas Faulkner, however, is not a party to that action.)

[124] 17 U.S.C. § 411(a).

[125] *Id.*

The revised second amended complaint on behalf of Douglas Faulkner in No. 97 Civ. 9361 does not seek review of any denials of registration or make any other allegations that might invoke Section 411(a). [126] The outside date fixed by the scheduling order, as amended, [127] for seeking further amendment of the pleadings expired long ago. This plaintiff has offered no reason for the belated injection of this issue into that case. But the Court need not rely on that unexplained tardiness.

There simply is no reason to grant declaratory relief here. A declaratory judgment is a discretionary remedy.[128] The purpose of the portion of Section 411(a) that permits a district court in an infringement action to engage in collateral review of a denial of registration by the Register was to facilitate the bringing of infringement actions by overruling *Vacheron & Constantin-LeCoultre Watches, Inc. v. Benrus Watch Co.*, [129] which previously had forced an unsuccessful applicant for registration to

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[126] *Faulkner* DI 57.

[127] According to the amended scheduling order, the final date to amend pleadings in No. 97 Civ. 9361 was July 15, 2000. *Faulkner* DI 9.

[128] *Wilton v. Seven Falls Co.*, 515 U.S. 277, 115 S.Ct. 2137, 132 L.Ed.2d 214 (1995); *Agency Rent A Car System, Inc. v. Grand Rent A Car Corp.*, 98 F.3d 25, 32 (2d Cir.1996); *In re Orion Pictures Corp.*, 4 F.3d 1095, 1100 (2d Cir.1993), *cert. denied*, 511 U.S. 1026, 114 S.Ct. 1418, 128 L.Ed.2d 88 (1994); *Trans Pac. Leasing Corp. v. Aero Micronesia, Inc.*, 26 F.Supp.2d 698, 712 (S.D.N.Y.1998); *Goldberg v. Winston & Morrone, P.C.*, No. 95 Civ. 9282(LAK), 1997 WL 139526, at *3 (S.D.N.Y. Mar.26, 1997).

[129] 260 F.2d 637 (2d Cir.1958).

bring and win an action against the Register to compel registration before commencing an infringement action. [130] As the infringement claims of the relevant plaintiffs all would be without merit even if they were entitled to registration, there is no need to review the Register's actions in this case. Accordingly, the Court exercises its discretion to decline to entertain these claims for declaratory relief.

III. The Common Law Claims

Jurisdiction in these cases is premised exclusively upon the existence of federal questions arising under the Copyright Act. [131] As the federal claims against all

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[130] H.R. REP. No. 94-1476, 94th Cong., 2d Sess. at 157 (1976), *reprinted in* 5 U.S.C.C.A.N. 5659, 5773.

[131] The only federal claims in the complaint in No. 99 Civ. 12385 were for copyright infringement and relief under the Digital Millennium Copyright Act ("DMCA"). Ward's claim under the DMCA was dismissed previously. *Ward*, 208 F.Supp.2d at 449-50.

The situation in No. 97 Civ. 9361 is more complex. The amended complaint (*Faulkner* DI 11) contained a dilution claim under 15 U.S.C. § 1125(c) in addition to the copyright infringement claim. Subsequent to the filing of the amended complaint, however, three plaintiffs in No. 97 Civ. 9361-- Psihoyos, Matrix, and Rickman-- terminated Stephen A. Weingrad, Esq., as their attorney and replaced him with Richard F. Schaden, Esq. (*Faulkner* DI 17) Later still, Mr. Weingrad filed a purported Revised Second Amended Complaint in that action which contained no federal claim except for copyright infringement. The caption and body of the complaint listed Douglas Faulkner, Psihoyos, Matrix and Rickman as the only plaintiffs, and the pleading purported to have been filed on their behalves notwithstanding that Mr. Weingrad no longer represented the last three. (*Faulkner* DI 57) Accordingly, the effect of this pleading was to drop Mr. Faulkner's federal dilution claim. In view of Mr. Weingrad's lack of authority to act for the others, it was a nullity

defendants have been resolved in advance of trial, the state law claims [132] will be dismissed for lack of subject matter jurisdiction.[133] In No. 99 Civ. 12385, however, the subject matter dismissal of the state law claims is without prejudice to the filing, on or before December 21, 2003, of an amended complaint adequately alleging not only complete diversity of citizenship, but the requisite matter in controversy. [134]

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as to them, which left the amended complaint as the operative pleading in their cases. While there is uncertainty as to whether and to what extent plaintiffs Psihoyos, Matrix and Rickman further amended the complaint, *compare* Yavlovsky Decl. (*Faulkner/Hiser*) ¶ 7 & Ex. 6, *with* docket sheet, their counsel, by letter dated November 25, 2003, formally abandoned the dilution claim previously asserted on their behalves and affirmed that no federal claim, other than copyright infringement, is asserted on by those plaintiffs or plaintiff Austen.

No. 99 Civ. 12488 presents yet another situation. The amended complaint in that action (*Hiser* DI 7) also contained a federal dilution claim under 15 U.S.C. § 1125(c). That pleading, however, was superseded by another revised second amended complaint (*Hiser* DI 40), which dropped that claim.

The complaint filed in No. 02 Civ. 6623 contained both a copyright infringement claim and a claim under DMCA. Plaintiffs' memorandum states that they have stipulated to the dismissal of the DMCA claim. Pl. Opp. Mem. (*Psihoyos* DI 14) 41-42. Although no such stipulation has been filed, the Court deems the claim to have been abandoned.

[132] No state law claims are asserted in No. 02 Civ. 6623.

[133] *United Mine Workers v. Gibbs*, 383 U.S. 715, 726-27, 86 S.Ct. 1130, 16 L.Ed.2d 218 (1966); *Giordano v. City of New York*, 274 F.3d 740, 754 (2d Cir.2001); *see* 28 U.S.C. § 1367(c)(3).

[134] The pleadings in the other cases contain allegations showing that complete diversity of citizenship is absent.

Conclusion

For the foregoing reasons, defendants' motions for summary judgment dismissing plaintiffs' copyright infringement and breach of contract claims [97 Civ. 9361 DI 74 (applicable also to 99 Civ. 12488); 99 Civ. 12385 DI 60; 02 Civ. 6623 DI 5] are granted to the extent that the copyright infringement claims all are dismissed on the merits, save that the defendants' motion in No. 02 Civ. 6623 is withdrawn insofar as it originally sought dismissal of the copyright infringement claims of plaintiff Psihoyos with respect to the two photographs referred to in note 30. All state law claims, to the extent not previously dismissed on the merits, are dismissed for lack of subject matter jurisdiction, the latter dismissal in No. 99 Civ. 12385 being on the basis set forth above.[135] Plaintiffs' motions for partial summary judgment [97 Civ. 9361 DI 76 (applicable also to 99 Civ. 12488); 99 Civ. 12385 DI 58, 62, 63] are denied in all respects.

This ruling determines all remaining claims against all remaining parties in Nos. 97 Civ. 9361, 99 Civ. 12385, and 99 Civ. 12488 save (a) the claims against Dataware, which have been stayed in light of its bankruptcy, (b) the possibility of an amended complaint showing diversity jurisdiction in No. 99 Civ. 12385, and (c) plaintiff Psihoyos' infringement claim in Nos. 97 Civ. 9631 and 02 Civ. 6623 based on the two photographs referred to in note 30.

This decision is likely to be dispositive with respect to Dataware should the claims against it survive

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[135] There are no state law claims in 02 Civ. 6623.

bankruptcy. Delay of review of this decision in those actions would subject the parties to continued uncertainty concerning important legal rights. Nothing that remains to be decided in this Court will affect the fundamental conclusions reached here concerning the interpretation of Section 201(c) of the 1976 Act and its availability to defendants in this case.

Accordingly, the Court determines, pursuant to Fed.R.Civ.P. 54(b), that there is no just reason for delay and directs the Clerk to enter final judgment as follows:

(a) In No. 97 Civ. 9361,

(1) dismissing the claims of all plaintiffs other than Psihoyos against all defendants other than Dataware, and

(2) dismissing all claims by plaintiff Psihoyos except his claims against Dataware and his claim for infringement of his alleged copyrights in the photographs referred to in note 30.

(b) In No. 99 Civ. 12488, dismissing the claims of all plaintiffs against all defendants other than Dataware.

(c) In No. 02 Civ. 6623, dismissing the claims of all plaintiffs against all defendants except for the copyright infringement claims of Psihoyos based on the photographs referred to in note 30.

For the same reasons, the Clerk is directed to enter final judgment dismissing all claims of all plaintiffs in No. 99 Civ. 12385 unless an amended complaint sufficiently showing the existence of subject matter jurisdiction over

the state law claims is filed on or before December 21, 2003.

The parties shall appear for a pre-trial conference at 11:30 A.M. on December 22, 2003, in Courtroom 12D.

SO ORDERED.

APPENDIX D

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

Nos. 97 Civ. 9361(LAK), 99 Civ. 12488 (LAK)

DOUGLAS FAULKNER, ET AL., PLAINTIFFS

v.

NATIONAL GEOGRAPHIC SOCIETY, ET AL.,
DEFENDANTS

DAVID HISER, ET AL., PLAINTIFFS

v.

NATIONAL GEOGRAPHIC SOCIETY, ET AL.,
DEFENDANTS

September 4, 2002

ORDER

KAPLAN, District Judge.

Plaintiffs move for reconsideration of the Court's opinion, which granted in part and denied in part defendants' motion for summary judgment. *Faulkner v. National Geographic Society*, 211 F.Supp.2d 450 (S.D.N.Y. 2002). They argue that the Court overlooked certain matters and controlling decisions in dismissing (1) "all" of plaintiff's state law claims on preemption grounds, (2) the claims against Eastman Kodak Co. for direct and contributory copyright infringement, and (3) David Allen's claims as successor in interest to the images and texts of his father, Arthur Allen, that were published before January 1, 1964. Except insofar as the motion correctly identifies a typographical error that inadvertently resulted in the dismissal of a claim against which no attack had been made, the motion is entirely without merit and, at least in some respects, may be sanctionable.

1. The last sentence of the decision dismissed "all" of plaintiffs' state law claims on preemption grounds. The Court intended so to dismiss only plaintiffs' unjust enrichment, common law unfair competition, and tortious misappropriation of goodwill claims, leaving their contract claim, which had not been challenged, intact.

2. Plaintiffs' arguments regarding the knowledge prong of the contributory infringement standard already have been considered and rejected. They were not overlooked. The fact that plaintiffs disagree with the Court's ruling does not justify a motion for reconsideration, which must be limited to matters that were before the Court and overlooked. *See Peyser v. Searle Blatt & Co.*, No. 99 Civ. 10785(WK), 2001 WL 1602129, at *2 (S.D.N.Y. Dec.14, 2001) (motion for reconsideration may not be used as a

vehicle for relitigating issues already decided by the court). In any case, nothing plaintiffs have said suggests that the prior ruling on this point was incorrect.

3. Plaintiffs argue that the Court improperly concluded that there was no genuine issue of fact regarding Kodak's liability as a direct infringer. They now offer, for the first time, deposition testimony of William Gray tending to show that Kodak distributed its complimentary copies of CD-ROM 108 and CD-ROM 109 to its employees and certain schools. Gray Dep., at 28-29 (attached to notice of motion for reconsideration). It is too late, however, for plaintiffs now to offer new evidence in opposition to defendants' motion for summary judgment. *See, e.g., Capital Dist. Physician's Health Plan v. O'Higgins*, 951 F.Supp. 352, 358-59 (N.D.N.Y.1997). Plaintiffs' Rule 56.1 statement did not dispute, and thus admitted, defendants' assertions that Kodak received no revenue for the sale of the complimentary units and did not "participate in the[ ] marketing or distribution" of the Complete National Geographic. *See* Pl 56.1 St. ¶¶ 22, 23. The portion of Mr. Gray's deposition upon which they now rely was not included in their papers in opposition to summary judgment. Nor did they argue in their memorandum of law that Kodak's alleged distribution of the complimentary units constituted direct infringement. [1]

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[1] Plaintiffs' contention that their opposing papers raised an issue of fact because each of them submitted an affidavit or declaration swearing that the defendants had infringed their copyrights (Pl.Mem.Recon.16) is specious. One may not defeat a motion for summary judgment by relying on conclusory allegations. Affidavits must set forth "concrete particulars" in order to satisfy Rule 56(e). *Fujitsu Ltd. v. Fed. Express Corp.*, 247 F.3d 423, 428 (2d Cir.), *cert. denied*, 534 U.S. 891, 122 S.Ct. 206, 151 L.Ed.2d 146 (2001); *Bickerstaff v. Vassar College*, 196 F.3d 435, 451-52 (2d Cir.1999), *cert.*

This attempt to overturn an adverse ruling by a motion for reconsideration based on materials that counsel did not see fit to place before the Court in litigating the matter in the first place is improper. *See, e.g., Davidson v. Scully*, 172 F.Supp.2d 458, 463-64 (S.D.N.Y.2001). Plaintiffs were obliged to put their best foot forward in resisting the motion. Certainly they have no right to subject the defendants and the Court to the added burden of considering the motion anew simply because they failed to do so. Even more disturbing, this is not the first time that plaintiffs' counsel in this case has done this. In *Bridgeman Art Library, Ltd. v. Corel Corp.*, 36 F.Supp.2d 191 (S.D.N.Y.1999), the very same attorney did substantially the same thing, seeking reargument on the ground that the Court, in deciding a motion, had overlooked supposedly controlling legal authority--an 1869 English *nisi prius* case that counsel had never even cited prior to the Court's decision and that was of dubious vitality even in the United Kingdom, let alone the United States. Plaintiffs' counsel is cautioned that any repetition of this or related conduct in this or any other case is likely to lead to consideration of sanctions.

4. Plaintiffs' argument that both National Geographic and David Allen had the right to renew the copyrights in the pre-1964 Allen works falters on the distinction between a collective work and an individual contribution to that collective work. Section 24 of the Copyright Act of 1909, 17 U.S.C. § 24 (repealed), gave the proprietor of a collective work the right to renew its copyrights in the collective work itself (*i.e.*, the collection, arrangement, and display of the constituent parts) and any individual

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denied, 530 U.S. 1242, 120 S.Ct. 2688, 147 L.Ed.2d 960 (2000).

contributions that it initially held copyright ownership in, but it did not create a renewal right for contributions in which the proprietor had no copyright ownership interest in the initial term.

Self-Realization Fellowship Church v. Ananda Church of Self-Realization, 206 F.3d 1322 (9th Cir.2000), *cert. denied*, 531 U.S. 1126, 121 S.Ct. 881, 148 L.Ed.2d 790 (2001), the authority relied upon by plaintiffs, demonstrates this point well. There, the plaintiff, Self Realization Fellowship Church ("SRF"), published a magazine that contained articles by a religious figure, Swami Paramahansa Yogananda. *See id.* at 1324-25. SRF published the magazine with a blanket copyright on each issue of the magazine, *id.* at 1329, and renewed its copyright in the issues of the magazine at the appropriate time, *see id.* at 1326. The defendant challenged, *inter alia*, SRF's copyright renewal interest in Yogananda's articles. The Ninth Circuit held that there was a genuine issue of fact regarding SRF's right to renew that precluded summary judgment because there was evidence tending to show that Yogananda had transferred his common law copyrights in the individual articles to SRF prior to their publication. *See id.* at 1329-30. The court's rationale is devastating to plaintiff's argument. First, it pointed out that SRF, in order to prevail, had to show that it validly held the initial copyright in the individual articles and that it was entitled to renew. *See id.* at 1328. Second, with respect to the publisher's initial copyright interest, the panel noted that, under Section 3 of the 1909 Act, 17 U.S.C. § 3 (repealed), "the weight of the case law has concluded that ... a blanket copyright gives the magazine publisher rights in an individual contribution only if the publisher owns the common law copyright as the author of the

contribution [*i.e.*, a work-for-hire situation], or as the author's assignee." *Id.* at 1325-26; *see also Ilyin v. Avon Publ'n, Inc.*, 144 F.Supp. 368, 372 (S.D.N.Y.1956); *Kaplan v. Fox Film Corp.*, 19 F.Supp. 780, 781 (S.D.N.Y.1937). Finally, the panel did not hold, as plaintiffs contend, that proprietors of collective works as a general rule may renew the copyrights in the individual contributions contained therein, but rather that one particular proprietor, SRF, "was entitled to renew any initial copyrights in periodical articles *that it validly obtained through an informal assignment of Yoganda's common law copyrights.*" *Ananda*, 206 F.3d at 1329 (emphasis added). Under the court's reading of Section 3 of the 1909 Act, a proprietor also would be entitled to renew copyrights in individual contributions made for hire. In contrast, renewal rights would seem to be precluded when, as plaintiffs claim is the case here, the proprietor of the collective work never had any ownership interest in the individual contributions in the first place.

Furthermore, plaintiffs' interpretation of Section 24 does not square with the language of the statute. They contend that *both* the proprietor of a collective work and the author of an individual contribution simultaneously have the right to renew the copyright in any one particular article. The second provision of Section 24 gave the proprietor of a collective work the right to renew the initial rights it had obtained in such work. The third provision then stated that, "in the case of *any other copyrighted work*, including a contribution by an individual author to a ... composite work, the author of such work" shall have the right to renew. 17 U.S.C. § 24 (repealed) (emphasis added). By its very terms, therefore, Section 24 gave the right to renew as to a

particular contribution either to the proprietor (assuming it had obtained an initial interest in the contribution as explained in *Self-Realization Church*) or the author, but not both.

This leaves plaintiffs' argument that the Court should deem National Geographic to be holding the renewal copyrights in trust for them. In this Court's view, *Goodis v. United Artists Television, Inc.*, 425 F.2d 397 (2d Cir.1970), did away with the need to rely on legal fictions such as holding copyrights in "trust" and splitting legal and beneficial ownership in order to avoid harsh forfeitures. *See Goodis*, at 425 F.2d at 400 (noting that previous courts had been "understandably reluctant to invoke the doctrine of invisibility ... to deprive the plaintiff of the fruits of his creative effort," and citing as an example a case in which the publisher was deemed to hold legal title to the copyright for the author as "beneficial owner"). As the Court explained in its prior opinion, the underlying rationale of *Goodis* is not implicated in the renewal context, and plaintiffs trust theory therefore is unpersuasive.

Conclusion

Plaintiffs' motion for reconsideration is granted to the extent that the last sentence of the Court's July 17 Opinion is modified to read as follows:

"It is granted with respect to David Allen's copyright infringement claims regarding the Arthur Allen stories published before 1964, David Hiser's copyright infringement claims regarding the Lost Sierra, West's Wild Foods, and Stalking Wild Foods on a Desert Isle assignments, and plaintiffs' unjust enrichment, common

law unfair competition, and tortious misappropriation of goodwill claims."

It is denied in all other respects.

SO ORDERED.

APPENDIX E

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

Nos. 97 Civ. 9361(LAK), 99 Civ. 12488 (LAK)

DOUGLAS FAULKNER, ET AL., PLAINTIFFS

v.

NATIONAL GEOGRAPHIC SOCIETY, ET AL.,
DEFENDANTS

DAVID HISER, ET AL., PLAINTIFFS

v.

NATIONAL GEOGRAPHIC SOCIETY, ET AL.,
DEFENDANTS

July 13, 2002

MEMORANDUM OF OPINION

KAPLAN, District Judge.

This is an action principally for copyright infringement and breach of contract by a number of photographers and writers whose work has been published in *National Geographic Magazine* (the "*Magazine*"). The essence of their claim is that they granted National Geographic Society ("NGS") limited rights to publish their works and that the defendants have infringed their intellectual property and contract rights by republishing their work beyond the rights granted to them, chiefly in electronic media. The matter is before the Court on the motion of defendants NGS, National Geographic Enterprises, Inc. ("NGE"), Mindscape Inc. ("Mindscape"), Dataware Technologies, Inc. ("Dataware"), and Eastman Kodak Co. ("Kodak") for partial summary judgment dismissing plaintiffs' claims regarding their photographs and texts that appeared in the *Magazine* before 1978 (the "Pre-1978 Works").

Facts

Defendants and Their Product

The facts concerning the defendants (other than Kodak [1]), the relationships among them and The Complete National Geographic [2] are set forth in the Court's opinion

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[1] Kodak has been named a defendant in *Faulkner v. National Geographic Society*, 97 Civ. 09361(LAK), and *Hiser v. National Geographic Society*, 99 Civ. 12488(LAK), but not in *Ward v. National Geographic Society*, 99 Civ. 12385(LAK).

[2] Unlike the plaintiff in the *Ward* action, plaintiffs here dispute the

of even date in *Ward v. National Geographic Society*[3] and will not be repeated here.

Kodak is a manufacturer and developer of film and photographic equipment, among other products. In October 1997, Kodak entered into a co-sponsorship agreement with NGI, Mindscape and Dataware that provided that Kodak would pay a fee to NGI in exchange for inclusion of a Kodak promotional message in the digital contents of The Complete National Geographic[4] and advertising on the product packaging.[5] It specified also that the Kodak name and logo, together with the phrase "Proudly Sponsored by," would appear on the letterhead, printed materials, banners, posters and other similar materials used in connection with certain promotional media campaigns and that Kodak representatives would be invited to attend, speak and

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assertion that defendants used digital scanning technology to create The Complete National Geographic. *See* Pl. 56.1 St. ¶ 8. The Court understands plaintiffs' contention that the CD-ROM product is not necessarily an exact image-based reproduction of issues of the *Magazine* because the CD-ROM product may not mirror any single regional edition completely. However, it is undisputed that the CD-ROM product is a collection of digital files that include digital representations of plaintiffs' works. The precise technology used to create these files is immaterial for present purposes.

[3] 208 F.Supp.2d 429 (S.D.N.Y.2002).

[4] The Kodak promotional message is part of a multimedia sequence that appears each time a consumer boots up The Complete National Geographic on his or her computer. After the consumer's first time starting up the program, he or she can skip this multimedia sequence my mouse-clicking on it once. *See* Fahey Decl. ¶ 11.

[5] *Compare* Def. 56.1 St. ¶¶ 19, 21, *with* Pl. 56.1 St. ¶¶ 19, 21.

otherwise promote both Kodak and The Complete National Geographic at these events.[6] The agreement provided further that the parties would hold a sweepstakes in connection with the launch of The Complete National Geographic, that the Kodak name and logo would appear on all sweepstakes items, and that NGI and Kodak would contribute prizes to the sweepstakes.[7] Finally, it provided that Kodak would promote The Complete National Geographic and the sweepstakes on its website.[8] Kodak received 5,000 complimentary units of the first edition of The Complete National Geographic for promotional use only, which were not to be resold or made available for resale by Kodak.[9] Kodak received no revenues or other remuneration from sales of The Complete National Geographic products.[10]

Plaintiffs and Their Professional Relationships with NGS

Plaintiffs are freelance writers and photographers, or their successors, whose works have been published in various issues of the *Magazine*. Their professional relationships with NGS during the relevant time period took various forms and, at least for many of the contributors, the precise contours remain murky.

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[6] Fahey Decl. Ex. C ¶ 1.c.

[7] *Id.* ¶ 1.d.

[8] *Id.* ¶ 1.e.

[9] *Compare* Def. 56.1 St. ¶ 22, *with* Pl. 56.1 St. ¶ 22; *see also* Fahey Decl. Ex. C ¶ 7.

[10] *Compare* Def. 56.1 St. ¶ 22, *with* Pl. 56.1 St. ¶ 22.

Immediately below the Court will set out material undisputed facts regarding each of these relationships.

Douglas and Sally Faulkner

Douglas Faulkner is a professional photographer and writer. Sally Faulkner is his former wife. Douglas Faulkner photographed two stories that were published in the *Magazine* before 1978: "Finned Doctors of the Deep," published in December 1965 ("Finned Doctors"), and the "Chambered Nautilus," published in January 1976. When the Faulkners divorced in the mid-1970's, Douglas assigned to Sally the copyright in all ten Finned Doctors photographs.

NGS paid Faulkner $2,000 for the photographs and text used in Finned Doctors. In return, it received "first rights" and rights to use Finned Doctors photographs and text "in [NGS's] other publications, including any purposes related to the Society's objectives." [11] NGS purchased "first publication rights" to the photographs in the Chambered Nautilus, [12] also for $2,000.

On June 22, 1997, Mr. Faulkner applied for individual registration of the Finned Doctors and Chambered Nautilus photographs and text. [13] In letters dated

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[11] *Compare* Def. 56.1 St. ¶ 33, *with* Pl. 56.1 St. ¶ 33; *see also* Appendix of Exhibits and Deposition Testimony in Support of Defendants' Motion to Dismiss and for Summary Judgment ("Def.App.") Ex. C-1.

[12] *Compare* Def. 56.1 St. ¶ 34, *with* Pl. 56.1 St. ¶ 34; *see also* Def.App. Ex. D.

[13] Plaintiff's Exhibits in Opposition to Defendants' Motions to Dismiss & Summary Judgment Volume I ("Pl.Ex. Opp.I") Bates Number 3-4.

January 15, 1998 and August 10, 1998, the Copyright Office advised Faulkner that it was refusing registration because the photographs and text had been published with copyright notice only in the name of NGS. [14] It indicated, however, that because the *Magazine* had been registered. Faulkner could pursue renewal registration for the photographs and text associated with the Finned Doctors project. [15] Similarly, it indicated that the Chambered Nautilus photographs might be protected by virtue of the general notice for the *Magazine* and that Faulkner potentially could pursue renewal rights beginning in the twenty-eighth year following publication. [16]

On October 14, 2000, Mr. Faulkner applied to the Copyright Office to register a compilation entitled "Doug's Best," which was made up of the photographs and text from Finned Doctors and Chambered Nautilus, as well as another project referred to as "Dazzling Corals." [17] The Office replied by noting that the claim regarding "Doug's Best" was for " 'compilation' authorship, not the authorship of the particular photos and text you sent us." [18] The examiner reminded Mr. Faulkner's counsel that

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Plaintiffs failed to divide and mark their exhibits in a way that would enable the Court to refer to them individually. Hereinafter, the notation "B." will refer to "Bates Number."

[14] *Id.* at B. 7-9, 10-11.

[15] *Id.* at B. 9.

[16] *Id.* at B. 10.

[17] *Id.* at B. 11-12.

[18] *Id.* at B. 13.

compilation authorship involves "the selection, coordination, or arrangement of preexisting materials or data." [19] He went on to explain that the compilation lacked sufficient originality to support a copyright claim because the compilation consisted merely of the photographs and text published by NGS arranged in the order in which they had appeared in the *Magazine*. [20] In a subsequent letter, the Office again refused registration based on lack of originality, noting also that Mr. Faulkner had confirmed that the intent of his application was to claim " 'compilation' authorship." [21]

After the present lawsuits were commenced, plaintiffs' counsel wrote to the General Counsel of the Copyright Office to give notice of the pending lawsuits pursuant to Section 411(a) of the Copyright Act of 1976 (the "1976 Act"). [22] He apparently intended to give such notice for all of his clients at once, [23] referenced the captions of both lawsuits, and purportedly enclosed the amended complaints. [24] The letter stated also that counsel had enclosed "letters denying applications." It contained a second page entitled "Denied Copyright Applications for

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[19] *Id.*

[20] *Id.*

[21] *Id.* at B. 15.

[22] 17 U.S.C. § 411(a).

[23] Pls.' Ex. Opp. I, at B. 21-22.

[24] Plaintiff only submitted the cover letter and a schedule of the supposedly attached applications that had been denied. *See id.* at B. 22.

Compilations (Copies Attached)." [25] Included in the schedule on this page is "Doug's Best," but there is no mention of Finned Doctors or the Chambered Nautilus as individual works. [26] It therefore appears that plaintiffs' counsel gave Section 411(a) notice for the compilation Doug's Best, but not for the individual articles themselves.

Arthur Allen

Arthur Allen was a professor of ornithological studies at Cornell University who published photographs and text in a number of issues of the *Magazine*, all before 1964. [27] Neither he nor his successor in interest, David Allen, applied for copyright or renewal registration prior to January 1993 for any of the works. [28]

The titles of Allen's articles are "Hunting with a Microphone the Voices of Vanishing Birds," "Stalking Birds with a Color Camera," "Ambassadors of Goodwill," "Birds on the Home Front," "Touring for Birds with Microphone and Color Cameras," "Sights and Sounds of the Winged World," "A New Light Dawns on Bird Photography," "Birds of Timberline and Tundra," "Sea

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[25] *Id.* It is not at all clear why plaintiffs' counsel included the words "for Compilations." Some of the works on this schedule, such as Doug's Best, are compilations, but some of the works apparently are not, such as the works by Jerome and Doranne Wilson Jacobson and Pamela Wilson Sartorelli.

[26] *Id.*

[27] Pl. 56.1 St. ¶ 25.

[28] *Compare* Def. 56.1 St. ¶ 27, *with* Pl. 56.1 St. ¶ 27.

Bird Cities Off Audobon's Labrador," "The Curlew's Secret," "Voices of the Night," "The Bird's Year," "Duck Hunting with a Color Camera," "Split Seconds in the Lives of Birds," and "Sapsucker Woods."

David Allen

David Allen is Arthur Allen's son and successor in interest and owns a business through which he licenses photographs to third parties. He contributed photographs to some of the articles referred to above, including The Curlew's Secret, Voices of the Night, Split Seconds in the Lives of Birds, and Sapsucker Woods. Further, he created photographs for the "The Quetzal," published in January 1969. [29] In connection with The Quetzal assignment, David Allen was paid a minimum guarantee of $2,000 for photographing the story, and NGS provided him with film and processing, reimbursed him for expenses incurred in writing and photographing it, and paid for required special equipment. [30]

David Allen submitted an application for registration to the Copyright Office sometime in 2000. Because the application was clumsily worded, the Office sought clarification of the nature of the claim by letter dated December 14, 2000. [31] The examiner advised plaintiffs'

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[29] David Allen created photographs for at least two other stories, "Wildlife of a Verdant Land," and "Our National Wildlife Refuges: A Chance to Grow." However, defendants do not address these stories in their motion papers. Accordingly, they are not subject to this motion. *See* Def. Mem. 3 & App. A.

[30] *Compare* Def. 56.1 St. ¶ 30, *with* Pl. 56.1 St. ¶ 30.

[31] Def.App. Ex. A-10.

counsel that the Copyright Office could not register the individual photographs and text because they had been published with only the copyright notice of NGS. [32] He indicated that Allen could register a compilation claim, although he made clear that such a registration "would apply only to the particular arrangements and not to other arrangements of the same photos. Nor would the claims apply to the photos themselves." [33] Eventually, Mr. Allen registered a "compilation of photographs and text previously published in various issues of [the *Magazine*]." [34] He entitled it "Volumes I and II of David Allen's Collection of National Geographics 1937-1989" and designated himself as the author of the compilation. [35] Thus, although the Copyright Office never formally denied registration of the individual photographs and text, it steered plaintiffs' counsel away from this type of claim and toward the compilation claim.

Although the Copyright Office registered Allen's compilation claim, plaintiffs' counsel included Mr. Allen's compilation in the notice of these infringement suits sent to the Copyright Office on January 29, 2001. The schedule labeled "Denied Copyright Applications for Compilations" included "David Allen's Collection of National Geographic's 1937-1989" although registration for this compilation had not been denied. [36]

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[32] *See id.* at 1.

[33] *See id.* at 2.

[34] Pl.Ex. Opp. I, at B. 61-62.

[35] *Id.* at B. 61.

[36] *Id.* at B. 21-22.

David Hiser

David Hiser is a professional photographer who photographed numerous stories published in the *Magazine* [37] including "Death Valley," published in January 1970, "Pacific Crest Trail," published in June 1971, "Missouri River," published in September 1971, "Stalking Wild Foods on a Desert Isle," published in July 1972, "West's Wild Foods," published in August 1973, "Lost Sierra,", published in September 1973, "The Lone Coyote," published in August 1974, "Texas," published in April 1976, "Hawaii," published in April 1976, "The Tarahumaras," published in May 1976, and "Maine," published in June 1977. [38]

Hiser photographed all of these stories on assignment for NGS, which paid him for each and reimbursed him for expenses. [39] The assignments were confirmed in writing, and NGS obtained "publication rights" to the photographs for the Death Valley, Missouri River, and Pacific Crest Trail stories. [40] A letter dated September 23, 1969 regarding the Death Valley article states that "the photographs ... are being purchased for use in connection with the Death Valley article, and for other publications and purposes related to the National Geographic Society's

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[37] Pl. 56.1 St. ¶ 35.

[38] Def. Mem.App. C. The titles used here are not necessarily the exact titles that appeared in the *Magazine*. The Court uses these for the sake of convenience.

[39] Pl. 56.1 St. ¶ 36.

[40] *Compare* Def. 56.1 St. ¶ 37, *with* Pl. 56.1 St. ¶ 37.

objectives." [41] Letter agreements between NGS and Hiser grant NGS "all rights" in the photographs for the Stalking Wild Foods on a Desert Isle, Lost Sierra, and West's Wild Foods projects, although plaintiffs contend vehemently that this language relates to publication rights rather than copyrights. [42] The contract for The Lone Coyote story provided that NGS obtained the right to publish the photographs in the *Magazine* and for "further use in [NGS's] other publications and for any other purpose directly or indirectly related to, and in furtherance of the Society's objectives. Such further use will be paid for at standard [NGS] rates." [43] Hiser produced several letters showing that NGS paid him for subsequent use of his photographs for the Missouri River,[44] Lone Coyote, [45] and Pacific Crest Trail [46] stories.

Hiser's registration attempts essentially mirrored those of David Allen, in large part because plaintiffs' counsel tried to register the claims of Hiser, Allen, and David

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[41] Def.App. Ex. E-3.

[42] *Compare* Def. 56.1 St. ¶ 38, *with* Pl. 56.1 St. ¶ 38; *see also* Def.App. Exs. H-1, J, I. The parties refer to "Wild Foods of Maine" in paragraph 38 of their 56.1 statements, but it is clear from the motion papers that this refers to what the Court is calling "Stalking Wild Foods on a Desert Isle."

[43] *Compare* Def. 56.1 St. ¶ 39, *with* Pl. 56.1 St. ¶ 39; *see also* Def.App. Ex. K.

[44] Pl.Ex. Opp. I, at B. 41, 43, 44.

[45] *Id.* at B. 48.

[46] *Id.* at B. 46.

Robert Austen on one form. [47] Eventually, Hiser registered a "[c]ompilation ... of photographs [p]reviously published in various issues of [the *Magazine*]." [48] He entitled it "Hiser Volumes I, II, III. David Hiser's Collection of National Geographic Photographs." [49]

Plaintiffs' counsel included Hiser in the Section 411(a) notice sent to the Copyright Office on January 29, 2001. On the schedule labeled "Denied Copyright Applications for Compilations," he included "David Hiser's Collection of National Geographic Photographs (Vols. I, II & III)," although registration for this compilation had not been denied. [50]

The Jacobsons and Pamela Wilson Sartorelli

Dr. Doranne Jacobson is a self-employed anthropologist who wrote and photographed an article entitled "Purdah in India: Life Behind the Veil" ("Purdah") on assignment for the *Magazine*. [51] NGS paid her a minimum guarantee of $1,000 for the photographs and $2,000 for the text and reimbursed her for certain expenses she incurred in connection with the story. [52] A letter from NGS to Dr. Jacobson on June 1, 1973 states that NGS will retain "all

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[47] *See* Def.App. Ex. A-10.

[48] Pl.Ex. Opp. I, at B. 36-37.

[49] *Id.* at B. 36.

[50] *Id.* B. 21-22.

[51] Pl. 56.1 St. ¶ 40.

[52] *Compare* Def. 56.1 St. ¶ 41, *with* Pl. 56.1 St. ¶ 41.

publication rights to published photographs." [53] An April 11, 1977 payment voucher from NGS states that "payment includes authority for further use of the photographs in [NGS's] other publications and for any other purpose directly or indirectly related to, and in furtherance of [NGS's] objectives. Such further use will be paid for at standard NGS rates ...." [54]

In 1985, Suzanne Dupre, corporate counsel for NGS, wrote to Ronald Harris of Hemphill Harris Travel Corporation ("Hemphill Harris") regarding Hemphill Harris's use in a travel brochure of a painting made from one of Dr. Jacobson's Purdah photographs. [55] She requested that Hemphill Harris pay Dr. Jacobson $2,000 for its unauthorized use of the photograph, which it did. [56]

On May 24, 1993, Dr. Jacobson wrote to Mrs. Mary Smith at NGS regarding the possible use of one of the Purdah photographs (with Dr. Jacobson's permission) on the cover of "an academic press book": [57]

> "In the past, some photographs from my August, 1977, article have been used in publications, always with your permission and the understanding that the photographs would be run with the National Geographic copyright

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[53] P.Ex. Opp. I, at B. 107.

[54] *Id.* at B. 112.

[55] *Id.* at B. 116-18.

[56] *Id.* at B. 119-20.

[57] *Id.* at B. 122.

and credit. Since I was not a staff photographer, the fee for use of the photos have always been paid in their entirety to me. This particular photograph has been used by UNICEF a few times, and I have always received the full fee."

"I have a reproduction-quality duplicate of the photograph in question and would be happy to allow the University of Chicago Press to use this duplicate. However, I understand from Mr. Bill Perry that there is now a new policy in effect that would allow the Geographic to take 50% of the reproduction fee. I would very much appreciate it if you could inquire about the possibility of waiving this 50% share, in view of the fact that there is a long-standing precedent for the use of my photographs without such a share, and that there would be no expense to the Geographic, since I can provide a transparency for the Press to use." [58]

In a subsequent letter, Dr. Jacobson acquiesced in the 50 percent arrangement, but requested that she be paid 100 percent for uses negotiated before the 50 percent policy was put in place. [59]

Jerome Jacobson is Dr. Jacobson's husband. In connection with her Purdah coverage, Dr. Jacobson asked Jerome to photograph a traditional Indian wedding procession involving the groom because women were not permitted to attend such events. One photograph taken by Jerome was published in the *Magazine*. There was no

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[58] *Id.*

[59] *Id.* at B. 123.

communication between Jerome and NGS with respect to the publication of this photograph. [60]

Pamela Wilson Sartorelli is Dr. Jacobson's sister. In connection with her Purdah coverage, Dr. Jacobson asked Sartorelli to take a photograph of her interacting with Indian village women. One such photograph taken by Sartorelli was published in the *Magazine*. An April 11, 1977 payment voucher sent to Sartorelli by NGS states that "[t]his payment includes authority for further use of the photograph in [NGS's] other publications and for any other purposes directly or indirectly related to, and in furtherance of [NGS's] objectives. Such further use will be paid for at standard NGS rates ...." [61]

Sometime in 2000, plaintiffs' counsel attempted to register copyright claims of the Jacobsons and Sartorelli to the photographs and text in the Purdah article. Initially, the Copyright Office refused registration because the photographs and text were published with only the copyright notice of NGS. [62] However, the Office advised plaintiffs' counsel that the contributions might be protected by NGS's notice for the *Magazine* as a whole and suggested renewal registration as a possibility. [63] Plaintiffs' counsel then attempted to register a "compilation of photographs and text previously

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[60] Pl. 56.1 St. ¶ 43.

[61] Pl.Ex. Opp. I, at B. 157.

[62] *Id.* at B. 125.

[63] *Id.*

published in *National Geographic*." [64] The Copyright Office refused registration of this "compilation" on grounds that it was essentially identical to the photographs and text which The Jacobsons and Sartorelli had sought to register previously. [65] Plaintiffs' counsel referred to The Jacobsons and Sartorelli in his January 29, 2001 notice to the Copyright Office pursuant to Section 411(a). On the schedule entitled "Denied Copyright Applications for Compilations (Copies Attached)," he listed "Pamela Wilson Sartorelli: 'Life in India,' " "Jerome Jacobson: 'India Behind the Veil (pp. 1734-1735),' " and "Doranne Wilson Jacobson: 'Life in India Behind the Veil.' " [66]

Discussion

I. Summary Judgment

The summary judgment standard applied by the Court on this motion is set forth in the Court's opinion of even date in *Ward* and will not be repeated here.

II. Copyright Infringement

To make out a claim for copyright infringement, a plaintiff must establish (1) ownership of a valid copyright, and (2) copying. [67] In this motion, defendants raise

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[64] *Id.* at B. 127.

[65] *Id.*

[66] *Id.* at B. 22.

[67] 4 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 13.01, at 13-5 & n. 5 (2001) [hereinafter NIMMER]

arguments attacking primarily plaintiffs' ownership of valid copyrights.

A. Registration Defects

Defendants maintain that plaintiffs lack valid registrations for their alleged copyrights for any of three reasons and that they therefore cannot maintain this action. First, they contend that plaintiffs must resort to a mandamus action to compel registration before this case can proceed. [68] Second, they argue that, even if a mandamus action were not required, plaintiffs must establish that the Copyright Office [69] abused its discretion in denying registration in order to proceed with their infringement suit. [70] Finally, defendants appear to argue that plaintiffs cannot proceed with their infringement action with respect to works that are registered as compilations because those registrations protect only "the original elements of selection, coordination and arrangement of the compilations, not the individual images." [71] None of these arguments has merit.

Defendants' first argument is untenable in the face of

(citing *Reyher v. Children's Television Workshop*, 533 F.2d 87 (2d Cir.), *cert. denied*, 429 U.S. 980, 97 S.Ct. 492, 50 L.Ed.2d 588 (1976)).

[68] Def. Mem. 8.

[69] The terms "Copyright Office" and "Register of Copyrights" are used interchangeably throughout this opinion.

[70] Def. Reply Mem. 1.

[71] *Id.*

Section 411(a) of the 1976 Act. [72] Plaintiffs served the Register of Copyrights with notice of these lawsuits and a copy of the complaints. [73] Despite irregularities in plaintiffs' notice to the Copyright Office, defendants raise no issue regarding the adequacy of this notice or other filing formalities. Accordingly, a mandamus action is not required. [74]

Defendants' second argument fails as well. For the reasons set forth in the Court's opinion of even date in *Ward*, when a plaintiff proceeds under Section 411(a), the district court makes an independent determination of copyright ownership, just as in any other infringement action. [75] In this determination of copyright ownership, the Copyright Office's refusal to register a work at most deprives the plaintiff of Section 410(c)'s presumption of validity, [76] which is not conclusive on the district court in any case. [77] Accordingly, plaintiffs may proceed with their

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[72] *See Ward*, 208 F.Supp.2d at 444 n. 93.

[73] Pl.Ex. Opp. 1, at B. 21-22.

[74] *Ward*, 208 F.Supp.2d at —.

[75] *See* Part II.C of the opinion of even date in *Ward*, 208 F.Supp. at 443-448.

[76] 17 U.S.C. § 410(c).

[77] *Carol Barnhart Inc. v. Economy Cover Corp.*, 773 F.2d 411, 414 (2d Cir.1985). Because the issue of copyright ownership here will depend primarily on resolution of the work-for-hire question, the notice issue raised in the rejection letters from the Copyright Office does not have any particular bearing on the outcome of this case. Accordingly, the complex issue of registerability under the 1909 Act would burden the Court's resources for little or no reason. Plaintiffs' counsel's request, in his letter to the Court on June 5, 2001, that the

infringement suit under Section 411(a) despite the Copyright Office's refusal to register certain of their works and without establishing that the Copyright Office's determination was erroneous.

In light of the foregoing, defendants' third argument requires little additional discussion. As an initial matter, defendants are correct that copyright protection for a compilation of preexisting work is different from copyright protection for one of the preexisting works. Section 103 of the 1976 Act states:

> "The copyright in a compilation or derivative work extends only to the material contributed by the author of such work, as distinguished from the preexisting material employed in the work, and does not imply any exclusive right in the preexisting material. The copyright in such work is independent of, and does not affect or enlarge the scope, duration, ownership, or subsistence of, any copyright protection in the preexisting material." [78]

Thus it would seem that registration of a compilation made up of certain preexisting works is no substitute for

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Court "level the playing field and grant [Faulkner] the registration," was premised on a misunderstanding of the law. Plaintiffs' counsel apparently credited the defendants' assertion that plaintiffs could not proceed under Section 411 without establishing that the Copyright Office's denial of registration was erroneous. What the complaint seeks relief for is copyright infringement, not denial of registration. The Court can determine the infringement issue without regard to the registration issue. Thus, the Court will not address specifically the registerability of plaintiffs' works.

[78] 17 U.S.C. § 103(b).

registration of those preexisting works. [79] Defendants' argument crumbles, however, because the registration issue is immaterial to this Court's independent determination of copyright ownership under Section 411(a). [80]

In sum, none of defendants' arguments regarding registration defects justifies summary judgment against any of the plaintiffs on their copyright infringement claims.

B. Failure to Renew as to Works Published Before 1964

Defendants argue that they are entitled to summary judgment dismissing all infringement claims relating to

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[79] *See Morris v. Bus. Concepts, Inc.*, 259 F.3d 65, 71 (2d Cir.2001), *clarified on rehearing on other grounds*, 283 F.3d 502 (2d Cir.2002). The *Morris* court held that "[u]nless the copyright owner of a collective work also owns all the rights in a constituent part, a collective work registration will not extend to the constituent part." *Id.* The Court cannot assume that Allen and Hiser own all the rights in the constituent parts of their compilations, because that is precisely the question to be determined by these lawsuits.

[80] The Court finds it immaterial that the Copyright Office never formally refused registration of the photographs and texts of Allen and Hiser. The examiner indicated to plaintiffs' counsel that pursuit of registration of the photographs and texts themselves would be fruitless. *See* Def.App. Ex. A-10. Thus, there was what might be called a *de facto* denial of registration. Plaintiffs' counsel included reference to Allen and Hiser in his notice to the Copyright Office regarding these lawsuits, and the attached complaints must have made clear that their claims related to the photographs and text themselves, not the compilations. Allen and Hiser therefore may invoke Section 411(a) and proceed with their infringement suits despite the technical irregularities in their registration efforts.

Arthur Allen's stories in the *Magazine* because they were published before 1964, and neither David nor Arthur Allen applied for initial or renewal registration with respect to these works. They are right.

Under the 1909 Act, which applies for purposes of determining duration of copyright to works that first were published prior to January 1, 1964, an author was entitled to an initial twenty-eight year copyright term, which expired unless the copyright was renewed by the author or his statutory successors during the final year of the initial term. [81] Failure to make a renewal application during the twenty-eighth year resulted in the work entering the public domain. [82] The rule was (and for our purposes, is) undeniably strict. [83]

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[81] *Religious Tech. Ctr. v. Netcom On-Line Communication Servs., Inc.*, 923 F.Supp. 1231, 1241 (N.D.Cal.1995); *accord Twin Books Corp. v. Walt Disney Co.*, 877 F.Supp. 496, 498-99 (N.D.Cal.1995), *rev'd on other grounds*, 83 F.3d 1162 (9th Cir.1996); *Int'l Film Exchange, Ltd. v. Corinth Films, Inc.*, 621 F.Supp. 631, 634-35 (S.D.N.Y.1985); 3 NIMMER § 9.05[B][1], at 9-44.

[82] 3 NIMMER § 9.05[B][1]. at 9-44.

The 1976 Act came into effect on January 1, 1978, but retained the renewal system for works that were copyrighted before 1978 and still were in their first terms on January 1, 1978. For these works, the statute provides for a first term of copyright protection lasting for twenty-eight years, with the possibility of a second term of forty-seven years. In 1992, Congress amended the 1976 Act to make renewal of this second term automatic for works copyrighted between January 1, 1964, and December 31, 1977, leaving works copyrighted prior to January 1, 1964 subject to the old regime. *See Peer Int'l Corp. v. Latin Am. Music Corp.*, 161 F.Supp.2d 38, 49-50 (D.P.R.2001); 3 NIMMER § 9.05[A][1], at 9-40.

[83] *See* 3 NIMMER § 9.05[B][1], at 9-44 ("It has been held that a variance of even several days is fatal and that the purported renewal

It is undisputed that neither David nor Arthur Allen applied for renewal registration with respect to the works in the Arthur Allen stories published before January 1, 1964. Plaintiffs argue, however, that because NGS obtained initial and renewal registration for these works, they have been saved from the public domain by virtue of the Second Circuit's opinion in *Goodis v. United Artists Television, Inc.*[84] The issue thus joined is whether NGS's renewal registration prevented these works from falling into the public domain at the end of the initial copyright term if Arthur Allen and not NGS [85] owned the copyrights.

Plaintiffs' argument that Arthur and David Allen simultaneously may claim copyright ownership and rely on NGS's renewal ignores a line of cases standing for the proposition that renewal registration by the wrong party is void, and subsequent ratification by the party entitled to renew cannot revive it. [86] In the case most closely on

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is void to rescue the subject work from the public domain, whether filed after expiration of the one year or prior to its initiation.").

[84] 425 F.2d 397 (2d Cir.1970); *see* Pl. Mem. 15.

[85] If NGS in fact owned the copyrights in these works, then its initial and renewal registration clearly saved these works from falling into the public domain. Plaintiffs, of course, cannot rely on this argument.

[86] *Tobani v. Carl Fischer, Inc.*, 98 F.2d 57, 60 (2d Cir.), *cert. denied*, 305 U.S. 650, 59 S.Ct. 243, 83 L.Ed. 420 (1938); *Urantia Found. v. Maaherra*, 114 F.3d 955, 962 (9th Cir.1997); *Corinth Films, Inc.*, 621 F.Supp. at 635; *Von Tilzer v. Jerry Vogel Music Co.*, 53 F.Supp. 191, 196 (S.D.N.Y.1943), *aff'd sub nom.Gumm v. Jerry Vogel Music Co.*, 158 F.2d 516 (2d Cir.1946); 3 NIMMER § 9.05[D] [1], at 9-85. As Nimmer notes, the Second Circuit cast some doubt on this line of cases in *Bartok v. Boosey & Hawkes, Inc.*, 523 F.2d 941 (2d Cir.1975). The court criticized the *Von Tilzer* case, and stated that a renewal

point, *Tobani v. Carl Fischer, Inc.*,[87] a dispute arose between the children of a composer and his past employer, a music publishing company. Eleven years after the composer's employment ceased, in return for $25 per week for life and a lump sum payment of $5,000 upon his death, he "acknowledged that these works [at issue] were prepared by him pursuant to and in furtherance of his employment and he conveyed to his employer all such works, the copyrights therein and the right to apply for renewals."[88] After his death, his son caused renewals to be registered in his own name and brought suit on behalf of himself and his siblings.[89] The employer failed to apply for renewal registration.

The Second Circuit held that the composer's children were not entitled to renewal because the works were created as works for hire.[90] It went further, however, and held that the son's renewal registrations were "void"

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claimed by one not entitled to it "may be held in trust for the benefit of the persons who are rightfully entitled thereto." *Id.* at 948. However, "[t]he *Bartok* court suggests some doubt as to its own ruling by further insulating from forfeiture those renewals that, under its definition of 'posthumous works,' would have been claimed by an improper party, by making its definition applicable only to future and pending renewals." *See* 3 NIMMER § 9.05[D][1], at 9-85 n. 134; *see also Bartok*, 523 F.2d at 948. The *Bartok* court did not claim to overrule *Tobani*, but rather distinguished it as applying to a different factual context. *See id.* at 948.

[87] 98 F.2d 57.

[88] *See id.* at 58.

[89] *Id.* at 59.

[90] *Id.* at 59-60.

and that "it does not follow ... that appellee [the publisher] can cure its failure to renew by compelling appellants [the composer's successors] to convey their registrations." [91] The district court's decree therefore was modified by striking out the direction to assign the renewals to the music publishing company. [92] In light of *Tobani*, plaintiffs' argument fails. If Arthur and David Allen, rather than NGS, in fact were entitled to renew, as they would have been under Section 24 of the 1909 Act if the works were not made for hire, [93] then NGS's renewal would be void and plaintiffs would have no power to ratify that defective renewal.

Nor is plaintiffs' invocation of *Goodis v. United Artists Television, Inc.* [94] persuasive. In an attempt to stretch *Goodis* to fit the facts of this case, plaintiffs mischaracterize it as a case about registration [95] rather than notice. [96] More importantly, the logic of *Goodis* does not apply to the Allens' failure to obtain renewal registration. The *Goodis* court sought to avoid the harsh

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[91] *Id.* at 60.

[92] *Id.*

[93] 17 U.S.C. § 24 (superseded).

[94] 425 F.2d 397 (2d Cir.1970).

[95] *See* Pl. Mem. 15.

[96] *See Goodis*, 425 F.2d at 399 ("We unanimously conclude that where a magazine has purchased the right of first publication under circumstances which show that the author has no intention to donate his work to the public, copyright *notice* in the magazine's name is sufficient to obtain a valid copyright on behalf of the beneficial owner, the author or proprietor." (emphasis added)).

forfeiture that might have occurred due to the confluence of the indivisibility doctrine and the notice requirements under the 1909 Act. [97] The court's language is worth quoting:

> "Under the Copyright Act of 1831, an author or proprietor obtained copyright, before publication, by depositing a copy of the title of his work in the district court in the district of his domicile. Thus, had Goodis completed his novel before 1909 and made the required deposit, he would have obtained copyright in his own name before publication and would have been free to market his work to his best advantage, selling serial rights, dramatic rights, etc. at his pleasure, without jeopardizing his copyright. In several cases before 1909 harsh forfeitures resulted from technical failures to comply with the statute, even though there was little chance that the public might have been misled by the errors."
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> "In 1909, the Copyright Act was amended and the method of obtaining copyright simplified. Under the revised Act, an author or proprietor could secure statutory protection by actual publication of the work with notice in conformity with the Act. Although appellees characterize this change as irrelevant, we think it critical. Suddenly the author who might previously have obtained copyright before publication had to guard against any legal infirmity surrounding first publication which might throw his work into the public domain. One can understand the requirement that only an author or proprietor perfect copyright

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[97] *See id.* at 400, 402.

under the 1831 statute, since copyright had to be obtained before publication and the author or proprietor was expected to have exclusive control over the work. After 1909, however, it was expected that first publication of the work, whether in magazine or book form, would be the means of obtaining copyright. To require full proprietorship by the initial publisher would too often provide a trap for the unwary author who had assumed the publisher would attend to copyrighting the work in his behalf." [98]

As this passage reveals, the *Goodis* court's concern was with the hazards facing an unwary author who had to depend on the actions of others-- namely publication with proper notice--in order to obtain copyright protection. This concern is especially understandable considering a magazine publisher's potentially greater bargaining power *vis-a-vis* its authors.

Plaintiffs invoke *Goodis* to protect themselves from a failure to renew in the twenty-eighth year following publication, but the concerns underlying the *Goodis* opinion are not implicated in this situation. The *Goodis* plaintiff had to rely on the actions of his publisher in order to obtain copyright protection and, to that extent, was at its mercy. In contrast, the Allens needed no one but themselves to file a claim for renewal. [FN99] They faced no trap for the unwary--they simply failed to take even the most basic steps to protect the text and photographs for which they now claim to own the copyrights. While *Goodis* does stand for the general proposition that courts should avoid unnecessarily harsh forfeitures when

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[98] *Id.* at 401-02 (citations omitted).

possible, it is not a license for plaintiffs to sit on their hands for no apparent reason. Therefore, to the extent plaintiffs assert that the Allens own the copyrights in the Arthur Allen stories, NGS's renewal registration was not sufficient to keep these works from entering the public domain. To the extent that plaintiffs admit that NGS was entitled to renewal registration for these works by virtue of its copyright ownership, they have no claim for copyright infringement. Either way, defendants are entitled to summary judgment dismissing David Allen's copyright infringement claims regarding the Arthur Allen stories published before 1964. [99]

C. Work For Hire

Defendants claim that David Allen, Hiser, the Jacobsons, and Sartorelli created their photographs and texts as works for hire and that NGS owns the copyright in those works, thus entitling defendants to judgment as a matter

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[99] *See* 3 NIMMER § 9.05[D][1], at 9-87 ("[A]n individual author may file a claim for renewal in his own name with respect to his prior contributions to periodicals, including newspapers, regardless of whether the original copyright was obtained by a separate copyright notice and registration in the name of such author, or simply by virtue of a general copyright notice in the name of the proprietor of the periodical issue as a whole."); *see also Self-Realization Fellowship Church v. Ananda Church of Self-Realization*, 206 F.3d 1322, 1329 (9th Cir.2000), *cert. denied*, 531 U.S. 1126, 121 S.Ct. 881, 148 L.Ed.2d 790 (2001) (discussing how 1940 amendments to Section 24 of the 1909 Act deleted the previous separate registration requirement, "permitting individual authors to renew copyrights in periodical contributions even if the only initial copyright on the work existed by virtue of the publisher's blanket copyright"). Appendix E to defendants' memorandum of law lists the works the works for which David Allen's infringement claims are dismissed and denied. Def. Mem.App. E.

of law. [100] The applicable rule of law for work-for-hire issues under the 1909 Act is set forth in *Ward* [101] and will not be repeated here.

1. David Allen

Because all infringement claims relating to the Arthur Allen claims have been dismissed, only the Quetzal assignment remains for consideration. The December 27, 1967 letter to Mr. Allen from Robert Gilka, the director of photography at the time, clearly establishes that the instance and expense prongs are met for the Quetzal project. [102] A reasonable trier of fact could find only that NGS was the "motivating factor" behind the project [103] and paid Allen "a sum certain for his ... work." [104]

Furthermore, there is no genuine issue of fact regarding satisfaction of the supervision prong. The supervision requirement is met when the employer takes the initiative in engaging the independent contractor and has the power to " 'accept, reject, or modify, [his or] her work.' " [105] Although defendants have not produced evidence

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[100] Def. Mem. 13. Defendants make no work-for-hire argument regarding Douglas Faulkner's work. *See id.* Ex. F.

[101] 208 F.Supp.2d at —.

[102] Def.App. Ex. B.

[103] *Playboy Enters., Inc. v. Dumas*, 53 F.3d 549, 554 (2d Cir.), *cert. denied*, 516 U.S. 1010, 116 S.Ct. 567, 133 L.Ed.2d 491 (1995). Accordingly, the instance requirement is met.

[104] *Id.* at 555. Thus, the expense prong is met.

[105] *Id.* (quoting *Picture Music, Inc. v. Bourne, Inc.*, 457 F.2d 1213,

that NGS had the power to control what was published in this specific article, they have produced uncontroverted evidence that it was NGS's practice during the 1960's and 1970's to choose which photographs were published and to make substantial editorial revisions to textual submissions. [106] While Allen asserts that NGS did not "supervise the photography process," [107] *Picture Music* makes clear that lack of direct supervision during the actual creation of the work is immaterial if, as here, the hiring party took the initiative in engaging the independent contractor and had the power to accept, reject, or modify the work. [108] Thus, defendants' evidence on the supervision issue is uncontradicted.

Plaintiffs contend also that there is evidence sufficient to create an issue of fact regarding an agreement that Allen would retain copyright in his photographs for the Quetzal assignment, and the Court agrees. It is undisputed that the letter contract for this assignment makes no mention

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1217 (2d Cir.), *cert denied*, 409 U.S. 997, 93 S.Ct. 320, 34 L.Ed.2d 262 (1972)).

[106] *See, e.g.*, Def.App. Ex. E-2 (Hiser letter contract, setting out in more detail how the minimum guarantee works and specifying that some photographs will be chosen for publication and some will not, the latter being returned to photographer); *id.* Ex. L-2 (Jacobson letter contract, giving her detailed instructions on what NGS wanted to see in her article); Doranne Jacobson Dep. 30 (indicating that NGS told Dr. Jacobson: "This is how we take pictures at the Geographic. We take a lot of images. Don't be afraid to use film. We will be providing you with all the film you need").

[107] Allen Aff. ¶ 10 (Pl.Ex. Opp.1).

[108] *See Picture Music*, 457 F.2d at 1216-17.

of copyright ownership. [109] Nor do plaintiffs contend that anyone at NGS orally agreed with Allen that he would retain copyright with respect to this specific assignment. The question therefore is whether there is a genuine issue of fact regarding the existence of an implied-in-fact agreement between NGS and Allen that he would retain copyright. [110] As noted in *Ward*, an implied-in-fact agreement may be established through proof of industry custom. [111]

Allen's affidavit states in regard to the Quetzal assignment that "it is my understanding and Gilka's that I kept the copyright to my work." [112] But this is neither relevant nor admissible. First, the material issue is whether Gilka and Allen's conduct, viewed in light of industry custom, evidenced a tacit agreement that Allen would retain copyright, *not* his or Gilka's "understanding" of the situation. [113] Furthermore, this statement appears

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[109] Allen Aff. ¶ 10 (Pl Ex. Opp. 1) ("The terms of the contract clearly do not indicate a work-for-hire relationship, and specifically make no reference to transfer of copyright."). Allen attempts to invoke the lack of a clause relating to copyright in the May 21, 1965 letter agreement as evidence of NGS's "intention that my Father and I would retain the copyright." *Id.* This argument utterly misconstrues the nature of the presumption triggered by satisfaction of the instance, expense, and supervision requirements.

[110] *See Ward*, 208 F.Supp.2d at 436 n. 31, ---- text accompanying nn. 46-51.

[111] *Id.* at ---- & text accompanying nn. 48-49.

[112] Allen Aff. ¶ 10 (Pl.Ex. Opp.1).

[113] *See Hotchkiss v. Nat'l City Bank*, 200 F. 287, 293 (S.D.N.Y.1911), *aff'd*, 201 F. 664 (2d Cir.1912), *aff'd*, 231 U.S. 50, 34 S.Ct. 20, 58 L.Ed. 115 (1913); *see also Thomas v. Stone Container Corp.*, 922 F.Supp.

to be nothing but a legal conclusion, and is not admissible for that purpose. In any case, this statement provides no evidence from which a trier of fact could conclude anything about industry custom or the conduct of Messrs. Allen and Gilka conduct during their contractual dealings.

Allen relies also on the affidavit of Robert Gilka submitted in the *Ward* action and resubmitted by plaintiffs here. [114] It is undisputed that Gilka was the NGS representative who gave Allen the Quetzal project.[115] The strengths and shortcomings of this affidavit are discussed in detail in the *Ward* opinion, [116] and will not be repeated here. Suffice it to say that the Gilka affidavit is probative of a magazine industry custom during the relevant time period and of Gilka's tendency to have acted in accordance with that custom in his dealings with photographers. Plaintiffs submitted evidence tending to show that Allen was aware of the same industry custom referred to in the Gilka affidavit because of his and his father's long careers in the business. [117] Unlike the situation in the *Ward* case, however, the Gilka affidavit does not speak directly to the price paid to Allen

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950, 957 (S.D.N.Y.1996) (when issue was whether defendant lacked special equipment used by INDT to perform the work in which plaintiff assisted, plaintiff's "understanding" that the defendant lacked this equipment was not relevant).

[114] Pl. Mem. Ex. A.

[115] *See* Def.App. Ex. B.

[116] *See Ward*, 208 F.Supp.2d at ---- & text accompanying nn. 58- 62.

[117] Allen Aff. ¶¶ 3-10 (Pl.Ex. Opp.1).

for taking on the assignment and how that price relates to the rights issue.

Allen emphasizes that the Quetzal assignment letter makes no mention of copyright. [118] At first, his focus appears misguided because of the presumption that arises when an employer satisfies the instance, expense, and supervision requirements. However, Allen's invocation of the absence of any language regarding rights is more probative when viewed in conjunction with evidence suggesting that the industry custom was that one-time publication rights was the default rule.

While it is a close call, plaintiffs have adduced sufficient evidence to create an issue of fact regarding whether Messrs. Allen and Gilka tacitly agreed that Allen would retain copyright ownership of his Quetzal photographs in accordance with the alleged prevailing custom in the magazine industry at the time. Thus, summary judgment dismissing Allen's infringement claim regarding the Quetzal project is denied.

2. David Hiser

Plaintiffs' admissions in their Rule 56.1 Statement and the evidence of NGS's ability to accept, reject, or modify the work of freelance contributors are sufficient to satisfy the instance, expense, and supervision requirements for all of Hiser's assignments. Thus, the only question is whether plaintiffs have produced evidence sufficient to create a genuine issue of fact regarding the existence of an agreement that Hiser would retain copyright in his

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[118] *Id.* ¶ 10.

photographs. Because the evidence varies with the assignment, the Court must consider individual assignments or groups of assignments.

The letter agreements between NGS and Hiser for the Death Valley, Missouri River and Pacific Crest Trail assignments stated that NGS would retain "publication rights" to published photographs. [119] This language itself creates a genuine issue of fact regarding Hiser's retention of copyright ownership. The term "publication rights" at least arguably implies the existence of some further rights, including the copyright itself, to be retained by Hiser. [120] Additionally, Hiser produced several letters showing that NGS paid him for subsequent use of his photographs for the Missouri River and Pacific Crest Trail stories. [121] A reasonable trier of fact might consider it strange that NGS would pay Hiser to reuse works that it already owned. [122] Thus, summary judgment dismissing

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[119] Def. 56.1 St. ¶ 37.

[120] *Cf. Sayers v. Rochester Tel. Corp.*, 7 F.3d 1091, 1094 (2d Cir.1993) ("In a contract dispute a motion for summary judgment may be granted only where the agreement's language is unambiguous and conveys a definite meaning. If the language is susceptible to different reasonable interpretations, and where there is relevant extrinsic evidence of the parties' actual intent, then the contract's meaning becomes an issue of fact precluding summary judgment." (internal quotation marks and citations omitted)).

[121] *See supra* notes 43, 45.

[122] *Cf. Playboy Enters., Inc. v. Dumas*, 831 F.Supp. 295, 312 (S.D.N.Y.1993) ("An assignment would not make sense if the parties presumed that Playboy would be the author of the work for statutory purposes."), *aff'd in part and rev'd in part on other grounds*, 53 F.3d 549 (2d Cir.), *cert. denied*, 516 U.S. 1010, 116 S.Ct. 567, 133 L.Ed.2d 491 (1995).

Hiser's infringement claims for these three assignments is not appropriate.

Similarly, the language in the letter agreement for The Lone Coyote militates against summary judgment. The letter, dated June 25, 1974, states that NGS would retain six transparencies for publication and three as file selects.

It then states:

> "All nine transparencies become the property of [NGS] for further use in the Society's other publications and for any other purposes directly or indirectly related to, and in furtherance of the Society's objectives. Such further use will be paid for at standard NGS rates, except that such payment for use in the National Geographic Magazine or any Society book shall include the right to use such photograph in the National Geographic School Bulletin or Explorers Hall displays without further compensation." [123]

The language of the letter does not point unmistakably towards either NGS or Hiser as the copyright owner of the photographs. To begin, the transparencies "become the property" of [NGS]. It is not clear, however, whether it is the physical objects, *i.e.*, the transparencies themselves, or the intellectual property rights in the photographs that "become the property" of NGS. Next, the letter states that NGS may use the photographs in the future, but requires it to pay for such use at standard rates. As noted above, a jury might consider it strange that NGS would pay Hiser to reuse works that it already

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[123] Def.App. Ex. K.

owned. [124] Summary judgment dismissing Hiser's infringement claim for his photographs associated with this assignment therefore is not appropriate.

The situation is different for the Lost Sierra, West's Wild Foods, and Stalking Wild Foods on a Desert Isle assignments. Here, as plaintiffs admit in their Rule 56.1 Statement, letter agreements between NGS and Hiser granted NGS "all rights" in the published photographs for these projects. [125] Moreover, plaintiffs produced no evidence that NGS ever promised to pay or actually paid for reuse of the photographs associated with these stories. No reasonable trier of fact could find that the contracts in question reserved copyright to Mr. Hiser. In short, there is no genuine issue of fact regarding the photographs for these three assignments, and defendants are entitled to judgment as a matter of law.

As for the Texas, Hawaii, Tarahumaras, and Maine assignments, defendants simply point to deposition testimony that shows that the instance, expense, and

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[124] Additionally, Hiser has produced evidence that NGS paid him for subsequent use of photographs originally appearing in The Lone Coyote story. *See supra* note 44. This contributes to the presence of a genuine issue of fact.

[125] The Court is aware that language granting "all rights" does not necessarily or unambiguously transfer copyright ownership. *See Playboy Enters.*, 831 F.Supp. at 305. However, it must be remembered that defendants here enjoy the presumption resulting from their satisfaction of the instance, expense, and supervision requirements. There is absolutely no ambiguity in the retention of "all rights" by NGS when it comes to deciding whether there was an express or implied agreement reserving copyright to Hiser.

supervision requirements are met.[126] This is not sufficient because there is an issue of fact regarding an agreement that Hiser would retain copyright.

Neither side produced evidence of any written agreements for these assignments. As did David Allen with respect to the Quetzal assignment, Hiser relies on Robert Gilka's affidavit from the *Ward* action and his own experience with and awareness of magazine industry custom to argue that the parties had an implied-in-fact agreement regarding copyright. [127] For the reasons discussed in relation to the Quetzal project, it would be premature to say that no reasonable trier of fact could conclude that Messrs. Hiser and Gilka tacitly agreed that Hiser would retain copyright in the photographs for these assignments. Summary judgment dismissing these claims therefore is denied.

3. The Jacobsons and Pamela Wilson Sartorelli

Assuming, without deciding, that defendants have satisfied the instance, expense, and supervision prongs for the Purdah article, plaintiffs have adduced evidence sufficient to create a genuine issue of fact regarding an agreement that the Jacobsons and Ms. Sartorelli would retain copyright ownership in the works created for the article.

To begin with, the language in Dr. Jacobson's letter

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[126] Def. Mem.App. F; *see* Hiser Dep. 152-53, 154, 156, 158.

[127] Hiser Aff. ¶¶ 2, 7 (Pl.Ex. Opp.1). It is undisputed that Mr. Hiser had most of his contractual dealings with NGS through Mr. Gilka. *See* Def.App. Exs. E-H.

contract with NGS states that NGS will retain "all publication rights to published photographs." [128] As noted above, the term "publication rights" at least arguably implies the existence of some further rights, including the copyright itself, to be retained by Dr. Jacobson and her co-contributors. Next, NGS agreed to pay Dr. Jacobson for future use of the published photographs [129] and even enforced Dr. Jacobson's rights to payment for future use against third parties. [130] A reasonable trier of fact could interpret these actions as recognition on the part of NGS that Dr. Jacobson and her co-contributors had retained copyright ownership in their photographs. On the other hand, Dr. Jacobson's letter to Mary Smith at NGS provides strong evidence that Dr. Jacobson herself was aware that NGS retained copyright to the photographs for this article. She acknowledged that pictures previously were used with NGS's permission and "the understanding that the photographs would be run with the [NGS] copyright." [131] She agreed also to split with NGS the payment she was to receive from a third-party publisher for such use. [132] With evidence pointing in both directions, as it does here, it is for the trier of fact to resolve the question whether there was an agreement that the contributors to the Purdah article would retain

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[128] P.Ex. Opp. I, at B. 107.

[129] An April 11, 1977 payment voucher sent to Ms. Sartorelli stated that NGS would pay for future use of her photograph as well. Pl.Ex. Opp. I, at B. 157.

[130] *See supra* text accompanying notes 54-55.

[131] *Id.* at B. 122.

[132] *See id.* at B. 122-23.

copyright in their works. Accordingly, defendants are not entitled to summary judgment dismissing the copyright infringement claims of the Jacobsons and Ms. Sartorelli.

D. License to Publish Photographs and Texts in the Magazine

Defendants argue also that they would be entitled to summary judgment, even if the Pre-1978 Works were not works for hire, because plaintiffs granted NGS a license encompassing the creation and distribution of The Complete National Geographic.[133] The theory is that The Complete National Geographic is nothing more than "an exact image-based reproduction of issues of the Magazine in electronic format."[134]

For the reasons set out in *Ward*, the defendants' argument fails as a matter of law. Under the 1909 Act, NGS had no right to sublicense any rights it might have obtained from plaintiffs unless plaintiffs expressly permitted it to do so.[135] Because not even the letter-contracts that defendants call the "unlimited licenses" expressly and unambiguously permitted sublicensing, and production and distribution of The Complete National Geographic occurred through a series of sublicensing arrangements, summary judgment for defendants on this ground is not appropriate.

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[133] Def. Mem. 17.

[134] *Id.* As noted above, plaintiff's dispute this assertion, arguing that the Complete National Geographic is not an exact replica of the *Magazine* because it does not reflect the differences in regional editions.

[135] *See* Part II.B in *Ward*, 208 F.Supp.2d at 441-43.

E. Kodak

Defendants argue also that the Court should dismiss plaintiffs' copyright infringement claims against Kodak. The Court agrees because plaintiffs have failed to adduce evidence sufficient to create a genuine issue of material fact regarding Kodak's liability for direct, vicarious, or contributory infringement.

1. Direct Infringement

Assuming for the sake of argument that plaintiffs own valid copyrights in the works at issue here, they have brought forward absolutely no evidence suggesting that Kodak itself engaged in conduct that violated any of the exclusive rights granted to copyright holders. [136] Plaintiffs do not point to any evidence indicating that Kodak publicly distributed the 5,000 complimentary units it received pursuant to the co-sponsorship agreement. Their conclusory assertion that the co-sponsorship agreement makes Kodak "the infringer best [*sic*] or at least ... a joint infringer" is not supported by any evidence in the record. Accordingly, plaintiffs cannot hold Kodak liable as a direct infringer as a matter of law.

2. Vicarious Infringement

The concept of vicarious copyright liability was developed in the Second Circuit as an outgrowth of the

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[136] *See A & M Records, Inc. v. Napster, Inc.*, 239 F.3d 1004, 1013 (9th Cir.2001) (two requirements of *prima facie* case of direct infringement are (1) ownership of allegedly infringed material and (2) violation by infringers of at least one of the exclusive rights granted to copyright holders).

agency principles of *respondeat superior*.[137] "[V]icarious liability extends beyond an employer/employee relationship to cases in which a defendant 'has the right and ability to supervise the infringing activity and also has a direct financial interest in such activities.' " "Benefit and control are the signposts of vicarious liability."[138]

Plaintiffs have adduced no meaningful evidence that Kodak exercised any degree of control over the allegedly infringing activities.[139] The co-sponsorship agreement among Kodak, NGI, Mindscape and Dataware gave Kodak no supervisory authority over nor input into the production and distribution of The Complete National Geographic products.[140] Plaintiffs apparently concede as

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[137] *See id.* at 1022; *accord Demetriades v. Kaufmann*, 690 F.Supp. 289, 292 (S.D.N.Y.1988).

[138] *See Demetriades*, 690 F.Supp. at 293.

[139] *Cf., e.g., Rohauer v. Killiam Shows, Inc.*, 379 F.Supp. 723, 730 (S.D.N.Y.1974) ("A sponsor will be held liable for copyright infringement if it had the power to supervise and control the content of the programs."), *rev'd on other grounds*, 551 F.2d 484 (2d Cir.), *cert. denied*, 431 U.S. 949, 97 S.Ct. 2666, 53 L.Ed.2d 266 (1977); *Bevan v. Columbia Broad. Sys., Inc.*, 329 F.Supp. 601, 610-11 (S.D.N.Y.1971) (sponsor of infringing television program held not vicariously liable when their was no evidence that sponsor exercised contractual right to view and request alteration to teleplays prior to filming and infringing program was "primarily a network-packaged as opposed to sponsor-packaged production"); *Davis v. E.I. DuPont de Nemours & Co.*, 240 F.Supp. 612, 631-32 (S.D.N.Y.1965) (sponsor of infringing television program held vicariously liable when sponsor had ultimate power to determine content of the program and exercised that power through its agent).

[140] Judge Haight has written as follows about the nature of the requisite "control":

much--they make no argument regarding vicarious infringement in their memorandum.[141] Kodak is not liable as a vicarious infringer.

3. Contributory Infringement

Liability for contributory infringement arose out of the tort concept of enterprise liability.[142] "[O]ne who, with knowledge of the infringing activity, induces, causes or materially contributes to the infringing conduct of another, may be held liable as a 'contributory' infringer."[143] In other words, the standard for contributory infringement has two prongs--the

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"[T]he formal relationship between parties is not the driving force behind liability; rather, the parties' paths must cross on a daily basis, and the character of this intersection must be such that the party against whom liability is sought is in a position to control the personnel and activities responsible for the direct infringement."

Banff Ltd. v. Limited, Inc., 869 F.Supp. 1103, 1109 (S.D.N.Y.1994) (citing *Demetriades*, 690 F.Supp. at 292). While Judge Haight's observation that the parties' "paths must cross on a daily basis" perhaps should not be taken literally, especially in light of recent decisions involving Internet technology, the thrust of his statement--the notion that the control must be substantial and have practical force-- remains sound. *See generally* Hon. Lewis A. Kaplan, *Copyright in the Digital Age*, 49 J. COPYRIGHT SOC'Y OF THE USA 1, 4-9 (2001) (discussing evolving standards of secondary liability in era of digital technology).

[141] *See* Pl. Mem. 32-33.

[142] *Demetriades*, 690 F.Supp. at 292.

[143] *Gershwin Publ'g*, 443 F.2d at 1162; *accord Napster, Inc.*, 239 F.3d at 1019; *Matthew Bender*, 158 F.3d at 706; *Columbia Pictures Indus., Inc. v. Redd Horne, Inc.*, 749 F.2d 154, 160 (3d Cir.1984).

"knowledge" prong and the "material contribution" prong.[144] "Two types of activities that lead to contributory liability are: (i) personal conduct that encourages or assists the infringement; and (ii) provision of machinery or goods that facilitate the infringement."[145] This case involves only the former type of activity.

As for the material contribution prong, "the alleged contributory infringer must have made more than a 'mere quantitative contribution' to the primary infringement": in other words, the participation or contribution must be "substantial."[146] "The authorization or assistance must bear a direct relationship to the infringing acts, and the contributory infringer must have acted in concert with the direct infringer."[147]

Defendants correctly point out that the mere purchase of advertising space for one's own non-infringing product through a vehicle that itself engages in unrelated infringement appears insufficient to establish material contribution.[148] The record indicates, however that

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[144] *See, e.g., Napster, Inc.*, 239 F.3d at 1020-1022; *Livnat v. Lavi*, No. 96 Civ. 4967(RWS), 1998 WL 43221, at *3 (S.D.N.Y. Feb.2, 1998) (noting that " 'knowledge and participation [are] the touchstones of contributory infringement' " (quoting *Demetriades*, 690 F.Supp. at 293)).

[145] *Matthew Bender*, 158 F.3d at 706.

[146] *Livnat*, 1998 WL 43221, at *4.

[147] *Id.*

[148] *See e.g., id.* ("Merely advertising in an issue [of a magazine] which carries an article containing infringing photographs cannot constitute a material contribution to that infringement."); *Davis*, 240 F.Supp. at

Kodak did more than simply purchase advertising space on The Complete National Geographic. A reasonable trier of fact could conclude that Kodak actively promoted and advertised The Complete National Geographic itself.[149] Advertising or otherwise promoting an infringing product or service may be sufficient to satisfy the material contribution prong.[150] Thus, it is premature to say that plaintiffs cannot satisfy the material contribution prong.

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631 ("Something other than the mere relation of advertiser and station operator must exist to support an action against the advertising defendant for violation of the plaintiff's property rights by programs broadcast by the station." (internal quotation marks omitted)).

[149] For instance, the co-sponsorship agreement provides that Kodak representatives would attend and speak about the product at promotional media events, and that Kodak would promote the product and the sweepstakes on its website. *See* Fahey Decl. Ex. C. ¶¶ 1.c-1.e.

[150] *See, e.g., Columbia Pictures*, 749 F.2d at 161 (holding co-defendant liable as contributory infringer when it conducted "all of the advertising and promotion work" for retail video store that publicly displayed copyrighted motion pictures); *Rogers v. Koons*, 751 F.Supp. 474, 481 (S.D.N.Y.1990) (concluding that art gallery's advertisement and display of infringing sculpture materially contributed to artist's infringing conduct), *amended*, 777 F.Supp. 1 (S.D.N.Y.1991), *aff'd*, 960 F.2d 301 (2d Cir.), *cert. denied*, 506 U.S. 934, 113 S.Ct. 365, 121 L.Ed.2d 278 (1992); *Screen Gems-Columbia Music, Inc. v. Mark-Fi Records, Inc.*, 256 F.Supp. 399, 401, 404 (S.D.N.Y.1966) (denying summary judgment with respect to advertising agency that received previously prepared advertising material for infringing product from primary infringer, purchased radio time for broadcast of advertising material, and received a commission based on the fee charged by each radio station for the time purchased).

The same cannot be said for the knowledge prong. "Knowledge of the infringing activity may be actual or constructive." [151] In other words, this prong is satisfied if the defendant "knew or should have known" of the infringing activity at the time of its material contribution.[152] Plaintiffs make two arguments in support of the proposition that Kodak had (at the inception of the co-sponsorship arrangement) and continues to have constructive knowledge that The Complete National Geographic products infringe the plaintiffs' copyrights in their images and text. Whether viewed independently or together, these arguments lack merit.

First, plaintiffs contend that Kodak was put on notice in 1997, when the first infringement claims were brought. [153] While it is clear Kodak has had actual knowledge of adverse claims since 1997, it is not apparent that Kodak should have known from the existence of these claims that The Complete National Geographic products infringed plaintiffs' copyrights. As this opinion makes clear, to the extent plaintiffs' infringement claims have not been dismissed, disputed issues of fact remain regarding whether or not plaintiffs created their photographs and texts as works for hire for NGS. Because the work-for-hire issue requires resolution by a trier of fact, it is difficult to conclude that Kodak should have known simply from the fact of these lawsuits that

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[151] *Livnat*, 1998 WL 43221, at *3.

[152] *E.g.*, *R & R Recreation Prods., Inc. v. Joan Cook Inc.*, No. 91 Civ. 2589(JSM), 1992 WL 88171, at *3 (S.D.N.Y. Apr.14, 1992); *Screen Gems-Columbia Music, Inc.*, 256 F.Supp. at 403.

[153] Pl. Mem. 32.

plaintiffs owned the copyrights at issue. Plaintiffs' argument merely begs the question to be answered by the lawsuit.

The situation here is different from that found in the counterfeit music or software context, where courts have been willing to impute knowledge to defendants who have received cease-and-desist letters and other warnings. [154] In the piracy context, there usually are clear indicators that an accused product is infringing, such as packaging and unusually low prices. Here, the question of infringement turns on complex analysis of contractual arrangements going back twenty years and more. In other words, plaintiffs' allegations of infringement are anything but readily verifiable, making Kodak's lack of knowledge regarding true copyright ownership objectively reasonable. [155] Moreover, common sense tells us that Kodak was entirely justified in leaving to NGS the

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[154] *E.g.*, *Cherry Auction*, 76 F.3d at 261, 264 (concluding that plaintiff adequately alleged knowledge when police raided swap meet more than a year before lawsuit commenced, police sent letter to swap meet regarding counterfeit recordings, and swap meet proprietors did not cooperate with authorities); *Adobe Sys. Inc. v. Canus Prods., Inc.*, 173 F.Supp.2d 1044, 1056 (C.D.Cal.2001) (finding disputed issue of fact regarding knowledge when Adobe sent computer fair proprietor cease-and-desist letter and then distributed flyers at the fair warning that unauthorized Adobe products were being sold).

[155] *Cf., e.g., Netcom*, 907 F.Supp. at 1374 ("Where a BBS operator cannot reasonably verify a claim of infringement either because of a possible fair use defense, the lack of copyright notices on the copies, or the copyright holder's failure to provide the necessary documentation to show that there is a likely infringement, the operator's lack of knowledge will be found reasonable and there will be no liability for contributory infringement for allowing the continued distribution of the works on its system.").

primary role in dealing with the "rights issue." [156] The undisputed evidence shows that Kodak made a reasonable inquiry regarding the intellectual property rights of contributors and received satisfactory assurances from NGS. [157]

Second, plaintiffs make the following argument:

> "Although William Gray, Manager of Corporate Branding for Kodak, testified that he called Robert Simms, Senior Vice President of NGS, because he had learned that there were some questions with regard to the 'rights issue' and was assured that NGS was confidant [*sic*] that there was no problem, Kodak probably didn't care if it was on solid ground, because they obtained an indemnification agreement from the new entity NGI; the warranty was that NGI owns or controls all rights to the materials contained in CD-108 which we now know was false because they owned very little of the rights needed to proceed." [158]

Essentially, plaintiffs ask the Court to assume from the indemnification agreement that Kodak willfully or negligently blinded itself to plaintiff's ownership of the works. [159] This the Court will not do because Kodak's insistence on an indemnification provision was nothing but a prudent business tactic, and a reasonable trier of

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[156] Pl. Mem. 32.

[157] Gray Dep., Def.App. Ex. N-4, at 60-61.

[158] Pl. Mem. 32-33.

[159] *See* Fahey Decl. Ex. C ¶ 10.

fact could not infer anything about Kodak's knowledge of infringing activity from its mere existence. Plaintiffs therefore may not hold Kodak liable as a contributory infringer as a matter of law.

III. State Law Claims

Defendants argue that they are entitled to summary judgment dismissing all of plaintiffs' state law claims on grounds that they are preempted by Section 301 of the 1976 Act. [160] The Court agrees.

A. Copyright Preemption in General

Section 301 provides for preemption of state law claims that seek to vindicate rights "equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106 in works of authorship that are fixed in a tangible medium of expression and come within the subject matter of copyright as specified by sections 102 and 103." [161] Preemption is warranted if

> "(i) the state law claim seeks to vindicate 'legal or equitable rights that are equivalent' to one of the bundle of exclusive rights already protected by copyright law under 17 U.S.C. § 106--styled the 'general scope requirement'; and (ii) the particular work to which the state law claim is being applied falls within the type of works protected by the Copyright Act under

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[160] 17 U.S.C. § 301. By its terms, Section 301 applies to works created both before and after January 1, 1978. *Id.* § 301(a).

[161] *Id.*

Sections 102 and 103--styled the 'subject matter requirement.' " [162]

The photographs and texts at issue in this case fall indisputably within the ambit of copyright protection. The subject matter prong therefore is satisfied with respect to all of plaintiffs' state law claims.

The general scope requirement is satisfied "when the state law rights asserted by the plaintiff are equivalent to any of the exclusive rights within the scope of copyright law" [163] as provided by Section 106. Section 106 grants to the copyright owner the exclusive rights of reproduction, preparation of derivative works, distribution, performance, and display (including the right to authorize others to perform these actions). [164]

To determine whether the general scope requirement is met, courts apply what is known as the "extra element" test. "[I]f an 'extra element' is 'required instead of or in addition to the acts of reproduction, performance, distribution or display, in order to constitute a state-created cause of action, then the right does not lie "within the general scope of copyright" and there is no

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[162] *Nat'l Basketball Ass'n v. Motorola, Inc.*, 105 F.3d 841, 848 (2d Cir.1997) (quoting 17 U.S.C. § 301); *accord Archie Comic Pubs., Inc. v. DeCarlo*, 141 F.Supp.2d 428, 431 (S.D.N.Y.), *aff'd*, 11 Fed. Appx. 26 (2d Cir.2001), *cert. denied*, 534 U.S. 1056, 122 S.Ct. 647, 151 L.Ed.2d 564 (2001).

[163] *Am. Movie Classics Co. v. Turner Entm't Co.*, 922 F.Supp. 926, 930 (S.D.N.Y.1996).

[164] 17 U.S.C. § 106.

preemption.' " [165] Stated differently, a state law claim "is not preempted if the 'extra element' changes the 'nature of the action so that it is *qualitatively different* from a copyright infringement claim.' " [166]

B. Unjust Enrichment

Plaintiffs' third cause of action is an unjust enrichment claim against NGS, alleging that NGS "obtained benefits as a result of improperly using plaintiffs' rights, which rights defendant was not authorized to use, and for which it did not compensate plaintiff." [167] Though couched in terms of obtaining a "benefit," the essence of plaintiffs' unjust enrichment claim is simply that NGS is and has been exploiting rights that allegedly belong to plaintiffs by virtue of their authorship--in other words, exploiting and thus infringing rights that are those of a copyright holder. [168]

While "[t]he overwhelming majority of courts in this

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[165] *Computer Assocs. Int'l, Inc. v. Altai, Inc.*, 982 F.2d 693, 716 (2d Cir.1992) (quoting NIMMER § 1.01[B][1]); *see, e.g., Archie Comic Pubs.*, 141 F.Supp.2d at 432.

[166] *Computer Assocs.*, 982 F.2d at 716 (emphasis in original) (quoting *Mayer v. Josiah Wedgwood & Sons, Ltd.*, 601 F.Supp. 1523, 1535 (S.D.N.Y.1985)); *accord Wharton v. Columbia Pictures Indus.*, 907 F.Supp. 144, 145 (D.Md.1995) (quoting *Rosciszewski v. Arete Assocs., Inc.*, 1 F.3d 225, 230 (4th Cir.1993)).

[167] Second Am. Cpt. ¶ 70 (97 Civ. 9361(LAK)) ("Faulkner Cpt."); Second Am. Cpt. ¶ 86 (99 Civ. 12488/LAK)) ("Hiser Cpt.").

[168] *See, e.g., Archie Comic Pubs.*, 141 F.Supp.2d at 432 (quoting *Computer Assocs.*, 982 F.2d at 716).

circuit have held that an unjust enrichment claim based upon the copying of subject matter within the scope of the Copyright Act is preempted," [169] some courts have held that such a claim is not preempted because the defendant's acceptance of the benefit of the copyrighted work provides an extra element. [170] But "an infringer always 'accepts' the benefit of the copyrighted work." [171] In other words, these courts take the "extra element" test too literally and ignore the principle that the state law claim at issue must be "qualitatively different" in order to avoid preemption. Here, plaintiffs do not contend that defendants were enriched by anything other than their unauthorized reproduction, distribution, and creation of derivative works from the plaintiffs' images and text. [172] At bottom, plaintiffs' unjust enrichment claim is not

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[169] *Cooper v. Sony Records Int'l*, No. 00 Civ. 233(RMB), 2001 WL 1223492, at *4 (S.D.N.Y. Oct.15, 2001) (quoting *Boyle v. Stephens Inc.*, No. 97 Civ. 1351(SAS), 1998 WL 690816, at *6 (S.D.N.Y. Sept.29, 1998) (collecting cases), *aff'd*, 21 Fed. Appx. 76 (2d Cir.2001)).

[170] *E.g., Universal City Studios, Inc. v. Nintendo Co.*, 615 F.Supp. 838, 856-57 (S.D.N.Y.1985), *aff'd on other grounds*, 797 F.2d 70 (2d Cir.), *cert. denied*, 479 U.S. 987, 107 S.Ct. 578, 93 L.Ed.2d 581 (1986); *Schuchart & Assocs. v. Solo Serve Corp.*, 540 F.Supp. 928, 945 (W.D.Tex.1982).

[171] 1 NIMMER § 1.01[B][1][a] at 1-39.

[172] *See, e.g., Markogianis v. Burger King Corp.*, No. 95 Civ. 4627, 1997 WL 167113, at *6 (S.D.N.Y. Apr.8, 1997) ("Plaintiffs do not allege that BKC was enriched from anything other than BKC's unauthorized use of Plaintiffs' protected marketing concept. As there is no difference in the relief claimed under state law and that provided by the federal copyright law, the Court holds that the state claim of unjust enrichment is preempted." (citation omitted)).

qualitatively different from a copyright infringement claim and therefore is preempted by Section 301. Summary judgment dismissing this claim therefore is granted.

C. Common Law Unfair Competition

Plaintiffs' fourth cause of action is for common law unfair competition against all defendants. It is well-settled that "state law claims that rely on the misappropriation branch of unfair competition are preempted." [173] In *Warner Brothers Inc. v. American Broadcasting Companies, Inc.*, however, the Second Circuit carved out an exception for state unfair competition claims that allege the tort of passing off. [174] Picking up on this exception, plaintiffs couch their unfair competition claim in the following terms: "Defendants infringed plaintiffs' rights, by exploiting the aforesaid property, in their effort to 'palm off' plaintiffs' works as theirs claiming copyright." [175] Essentially, plaintiffs contend that defendants have engaged in "reverse palming off" by misrepresenting NGS as the creator of the Pre-1978 works. [176] They claim that

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[173] *Warner Bros. Inc. v. Am. Broad. Co., Inc.*, 720 F.2d 231, 247 (2d Cir.1983).

[174] *Id.*

[175] Faulkner Cpt. ¶ 72; Hiser Cpt. ¶ 88.

[176] *See, e.g., Waldman Publ'g Corp. v. Landoll, Inc.*, 43 F.3d 775, 780-81 (2d Cir.1994) (defining reverse palming off for purposes of Section 43(a) of the Lanham Act as "the misappropriation of credit properly belonging to the original creator"); *Kregos v. Associated Press*, 795 F.Supp. 1325, 1336 (S.D.N.Y.1992) (explaining that standards for Section 43(a) claims under the Lanham Act and unfair competition claims under New York law are virtually the same), *aff'd*, 3 F.3d 656

defendants have done so by registering The Complete National Geographic with the Copyright Office, "stating that '*All Rights Are Reserved*,' and adding a new copyright claim to each page of the new product without specifically reserving the plaintiff's rights, or giving proper visible attribution." [177]

What plaintiffs fail to recognize is that the exception for "passing off" recognized in *Warner Brothers, Inc.* itself has an exception--an exception to the exception so to speak. The Second Circuit has held expressly and repeatedly that, as a matter of law, "a false copyright notice alone cannot constitute a false designation of origin within the meaning of § 43(a) of the Lanham Act." [178] The rational for this rule is that "[w]ithout a requirement of 'some additional misrepresentation of originality beyond mere use of a copyright symbol, [plaintiffs] could convert all improper copyright claims into Lanham Act violations.'" [179] This rationale applies with equal force to common law false designation of origin claims, especially considering that "the standards for § 43(a) claims under

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(2d Cir.1993), *cert. denied*, 510 U.S. 1112, 114 S.Ct. 1056, 127 L.Ed.2d 376 (1994).

[177] Faulkner Cpt. ¶ 73; Hiser Cpt. ¶ 89.

[178] *Lipton v. Nature Co.*, 71 F.3d 464, 473 (2d Cir.1995); *accord Softel, Inc. v. Dragon Med. & Scientific Communications, Inc.*, 118 F.3d 955, 970-71 (2d Cir.1997), *cert. denied*, 523 U.S. 1020, 118 S.Ct. 1300, 140 L.Ed.2d 466 (1998); *EFS Marketing, Inc. v. Russ Berrie & Co., Inc.*, 76 F.3d 487, 492 (2d Cir.1996); *Kregos v. Associated Press*, 937 F.2d 700, 711 (2d Cir.1991).

[179] *Softel*, 118 F.3d at 971 (quoting *EFS Marketing, Inc.*, 76 F.3d at 492).

the Lanham Act and unfair competition claims under New York law are virtually the same." [180] In either case, there is no misrepresentation of origin that does not reduce ultimately to unauthorized exploitation of rights that allegedly belong to the true copyright holder.

Plaintiffs' common law unfair competition claim is preempted because it alleges nothing other than false designation of origin through improper use of copyright notice. Summary judgment dismissing this claim therefore is granted.

C. Tortious Misappropriation of Goodwill

Plaintiffs' fifth cause of action is for tortious misappropriation of goodwill by all defendants and alleges that defendants "have usurped, for their own commercial advantage, the unique elements and features of plaintiffs' copyrighted images and text." [181] They further allege that defendants' "conduct is specifically designed to trade upon the phenomenal popularity and goodwill of plaintiffs' valuable images and text." [182]

This claim merely restates the allegations in plaintiffs' copyright claim, which in turn were restated in the unfair competition claim. The "conduct" alleged is nothing other than unauthorized reproduction and distribution of the

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[180] *Kregos*, 795 F.Supp. at 1336; *accord Marvullo v. Gruner & Jahr AG & Co.*, No. 98 Civ. 5000(RLC), 2001 WL 40772, at *7 (S.D.N.Y. Jan.17, 2001).

[181] Faulkner Cpt. ¶ 83; Hiser Cpt. ¶ 99.

[182] Faulkner Cpt. ¶ 84; Hiser Cpt. ¶ 100.

Pre-1978 Works. Plaintiffs identify nothing that makes this claim qualitatively different from their copyright infringement claims. [183] Accordingly, this claim is preempted by Section 301 and summary judgment dismissing it is granted.

Conclusion

Defendants' motion for partial summary judgment dismissing plaintiffs' claims with respect to the Pre-1978 Works is disposed of as follows:

1. It is granted in all respects, and all claims involving the Pre-1978 Works are dismissed, as to defendant Kodak.

2. It is granted with respect to David Allen's copyright infringement claims regarding the Arthur Allen stories published before 1964, Davis Hiser's copyright infringement claims regarding the Lost Sierra, West's Wild Foods, and Stalking Wild Foods on a Desert Isle assignments, and all of plaintiffs' state law claims.

3. It is denied in all other respects.

SO ORDERED.

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[183] *E.g., Marvullo*, 2001 WL 40772, at *8 (dismissing tortious misappropriation of goodwill claim drafted by plaintiffs' counsel using identical language).

APPENDIX F

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

No. 04-0263-(L) 04-0388-(con) 04-0265-(con) 04-0475-(con) 04-0308-(con) 04-0481-(con)

DOUGLAS FAULKNER, LOUIS PSIHOYOS, MATRIX INTERNATIONAL, INC., AS AGENT FOR ROGER HUTCHINGS, SARAH LEEN AND RICK RICKMAN, SALLY FAULKNER, DAVID HISER, DAVID G. ALLEN, AS SUCCESSOR AND INTEREST TO ARTHUR ALLEN, RICHARD CONNIFF, JON KRAKAUER, JOHN KNOEBBER, ELIZABETH ROYTE, JOE BARABAN, PAMELA WILSON SARTORELLI, DORANNE JACOBSON, JEROME JACOBSON, DAVID ROBERT AUSTIN, AND FRED WARD, PLAINTIFFS-APPELLANTS,

v.

NATIONAL GEOGRAPHIC ENTERPRISES INC., DATAWARE TECHNOLOGIES INC., NATIONAL GEOGRAPHIC SOCIETY, NATIONAL GEOGRAPHIC INTERACTIVE, EASTMAN KODAK CO., AND NATIONAL GEOGRAPHIC HOLDINGS, INC., DOING BUSINESS AS NATIONAL GEOGRAPHIC INTERACTIVE, DOING BUSINESS AS NATIONAL GEOGRAPHIC ENTERPRISES INC., DEFENDANTS-APPELLEES.

Filed 7/21/05

A petition for panel rehearing and a petition for rehearing en banc having been filed herein by the appellant Douglas Faulkner, et al. Upon consideration by the panel that decided the appeal, it is Ordered that said petition for rehearing is DENIED.

It is further noted that the petition for rehearing en banc has been transmitted to the judges for the court in regular active service and to any other judge that heard the appeal and that no such judge has requested that a vote be taken thereon.

FOR THE COURT
Roseann B. Mackechnie, Clerk
By
s/
Arthur M. Heller, Motions Staff Attorney

APPENDIX G

17 U.S.C. § 101. Definitions

Except as otherwise provided in this title, as used in this title, the following terms and their variant forms mean the following:

. . .

A "collective work" is a work, such as a periodical issue, anthology, or encyclopedia, in which a number of contributions, constituting separate and independent works in themselves, are assembled into a collective whole.

. . . .

17 U.S.C. § 103. Subject matter of copyright: Compilations and derivative works

. . .

(b) The copyright in a compilation or derivative work extends only to the material contributed by the author of such work, as distinguished from the preexisting material employed in the work, and does not imply any exclusive right in the preexisting material. The copyright in such work is independent of, and does not affect or enlarge the scope, duration, ownership, or subsistence of, any copyright protection in the preexisting material.

17 U.S.C. § 201. Ownership of copyright

. . .

(c) Contributions to Collective Works.--Copyright in each separate contribution to a collective work is distinct from copyright in the collective work as a whole, and vests initially in the author of the contribution. In the absence of an express transfer of the copyright or of any rights under it, the owner of copyright in the collective work is presumed to have acquired only the privilege of reproducing and distributing the contribution as part of that particular collective work, any revision of that collective work, and any later collective work in the same series.

. . . .

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NOV - 7 2005

Nos. 05-490, 05-504, 05-506

IN THE

Supreme Court of the United States

LOUIS PSIHOYOS *et al.*,

Petitioners,

v.

NATIONAL GEOGRAPHIC ENTERPRISES *et al.*,

Respondents.

FRED WARD,

Petitioner,

v.

NATIONAL GEOGRAPHIC ENTERPRISES *et al.*,

Respondents.

DOUGLAS FAULKNER *et al.*,

Petitioners,

v.

NATIONAL GEOGRAPHIC ENTERPRISES *et al.*,

Respondents.

On Petitions for Writ of Certiorari to the United States Court of Appeals for the Second Circuit

RESPONSE TO PETITIONS FOR WRIT OF CERTIORARI

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November 7, 2005

WILSON-EPES PRINTING CO., INC. – (202) 789-0096 – WASHINGTON, D. C. 20001

QUESTION PRESENTED

Respondents respectfully submit that this Court's review is warranted limited to the following question:

Whether the Second Circuit correctly held, in direct conflict with the Eleventh Circuit, that 17 U.S.C. § 201(c) presumptively authorizes a publisher's exact, image-based reproduction of a collective work in CD-ROM format even if new copyrightable materials (such as an introductory sequence and a computer program) are added.

CORPORATE DISCLOSURE STATEMENT

Pursuant to Rule 29.6 of the Rules of this Court, respondents state as follows:

Respondent National Geographic Society is a not-for-profit educational and scientific membership organization.

Respondents NGE, Inc. (erroneously identified by petitioners in their complaints as National Geographic Enterprises, Inc.) and National Geographic Holdings, Inc. no longer exist, but are previous names of NGHT, Inc., a wholly owned taxable subsidiary of respondent National Geographic Society. Respondent National Geographic Interactive was never incorporated, and was a division of respondent NGE, Inc.

Respondent Eastman Kodak Company has no parent corporation and no publicly held company owns 10% or more of its stock.

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INTRODUCTION

Respondents agree with petitioners that this Court's review is warranted to resolve the direct and acknowledged conflict between the Second Circuit's decision below and the Eleventh Circuit's decision in *Greenberg v. National Geographic Society*, 244 F.3d 1267 (11th Cir. 2001). Indeed, it is hard to imagine a clearer example of a circuit split than the one presented here: the Second and Eleventh Circuits have reached opposite results in applying the *same* provision of the copyright laws to the *same* work. Needless to say, that conflict puts respondents in an impossible situation, because they cannot realistically publish a work that is lawful in three States but unlawful in three others.

The importance of the issue, moreover, far transcends the particular work and parties involved here. This case is about the preservation and diffusion of collective works (including magazines, newspapers, and encyclopedias) for the education and entertainment of future generations. The Copyright Act grants freelance authors the copyrights in their individual contributions to collective works, but grants the publishers of such works a privilege to reproduce such contributions "as part of ... any revision of that collective work." 17 U.S.C. § 201(c). That provision, as this Court has recognized, strikes a balance between the rights of authors and publishers: a publisher may not exploit an individual freelance contribution outside the context of the original collective work, but may revise and reproduce the original collective work itself in a new medium. *See New York Times Co. v. Tasini*, 533 U.S. 483, 497 (2001).

As the Second Circuit recognized below, the Eleventh Circuit upended that balance in *Greenberg*. At issue in both cases is "The Complete National Geographic" (CNG), a thirty-disc CD-ROM set that reproduces each monthly issue of *National Geographic* magazine from 1888 through the late twentieth century. Like microfilm or microfiche, the CNG presents an exact electronic image of the original bound magazines, with pages presented two at a time in the very

same sequence as in the original paper format. Because a user thus encounters all freelance contributions (in the words of the *Tasini* Court) in "the context provided ... by the original periodical editions," 533 U.S. at 499, the conversion to CD-ROM format "represent[s] a mere conversion of intact periodicals ... from one medium to another," *id.* at 502.

The Eleventh Circuit held that the CNG nonetheless did not qualify as a "revision" within the meaning of § 201(c) because it added additional copyrightable material—a 25-second introductory sequence and a computer program—and thereby became a "new" collective work. *See Greenberg*, 244 F.3d at 1272-73. In the Eleventh Circuit's view, the creation of a "new" collective work is inherently inconsistent with the creation of a "revision." *See id.* The Second Circuit squarely rejected that holding, explaining that "a permissible revision may contain elements not found in the original." Pet. App. 21a.[1] The additional materials on which the Eleventh Circuit focused, the Second Circuit noted, "do not substantially alter the original context which, unlike that of the works at issue in *Tasini*, is immediately recognizable." *Id.*

The conflict between the Second and Eleventh Circuit has far-reaching legal and practical implications. The upshot of the Eleventh Circuit's approach is that the owner of a copyright in a printed collective work cannot reproduce that collective work in electronic or digital format, because the change of format will invariably entail the addition of copyrightable material, such as a computer program. In effect, thus, the Eleventh Circuit read the "revision" privilege out of the statute and prevented the owners of collective works from reproducing those works in new media. In an information-based technological society like ours, few issues are of greater importance.

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[1] All "Pet. App." references are to the appendix filed in *Psihoyos v. National Geographic Enters., Inc.*, No. 05-490.

Indeed, in declining to follow the Eleventh Circuit's decision in *Greenberg*, the district court below stressed that "[t]his issue is one of substantial importance to the development of copyright law and to its impact on the dissemination of knowledge." Pet. App. 56a. As the district court explained, if the Second Circuit were to disagree with the Eleventh Circuit on this important issue of federal law, the matter "likely" would end up in this Court for definitive resolution. *Id.* That day has now arrived. Accordingly, respondents respectfully urge this Court to grant review of the question presented in this brief and to affirm the Second Circuit's judgment.

COUNTERSTATEMENT OF THE CASE

A. Factual Background

Respondent National Geographic Society is one of the world's largest nonprofit scientific and educational organizations, with nearly nine million members worldwide. Since its founding in 1888, the Society has published a monthly official journal, *National Geographic* magazine.

For many years, the Society has reproduced back issues of the magazine in bound volumes, microfiche, and microfilm. Pet. App. 4a. With the advent of CD-ROM technology in recent years, the Society in 1997 produced "The Complete National Geographic" (CNG), a thirty-disc CD-ROM set containing each monthly issue of the magazine for the 108 years from 1888 through 1996. *Id.* In subsequent years, the Society produced updated versions of the CNG. *See id.* n.2.

The CNG was produced through digital scanning. *Id.* Because each issue of the magazine was scanned two pages at a time into a computer system, the CNG user sees exactly what he or she would see if viewing the open page of the paper version, including the fold of the magazine. *Id.* Because of some contractual arrangements excluding electronic reproduction, approximately 60 out of 180,000 images have been blacked out in some iterations of the CNG. *Id.* (None of these images is at issue here.) Except

for the blacked-out images in some iterations, there are no changes in the content, format, or appearance of the issues of the magazine: every page of every issue remains as it was in the original print version, including all page arrangements, articles, photographs, graphics, advertising, and attributions. *Id.*; *see also id.* at 64a.

The CNG, like any other CD-ROM product, also contains a computer program. *Id.* at 5a-6a. That program not only compresses and decompresses the images for viewing on a screen, but also allows the user to search an electronic version of the magazine's traditional subject, title, and author-based index. *Id.* at 6a. An article, once retrieved through the search function, appears just as it did in the original paperbound magazine, with all of the surrounding materials from the original magazine.

Whenever a CNG user inserts a disc into a CD-ROM drive, an introductory sequence appears. It begins with a moving display of the Society's logo and theme song followed by a Kodak advertisement, and then a 25-second segment in which ten magazine covers digitally fade into each other. *Id.* Following the initial installation, a user can stop the introductory sequence at any time with the click of a button. *Id.* A graphic display depicting moving spines of the issues of the magazines followed by credits is displayed when a user exits the CNG program. *Id.* (None of the images in either the introductory or the conclusory segments is at issue here. *See* Pet. App. 69a-70a n.94.)

B. Proceedings Below

Petitioners are freelance photographers and authors whose photographs and/or written words were originally published in various printed issues of *National Geographic* magazine. They do not dispute that respondents were entitled to include their individual contributions in the original paper magazines, but contend that respondents violated their copyrights in the individual contributions by reproducing the original paper magazines themselves in the

CNG. Petitioners and their representatives thus brought infringement actions under the Copyright Act of 1976, as amended, 17 U.S.C. § 101 *et seq.*, against respondents.

The district court (Kaplan, J., S.D.N.Y.) granted summary judgment in respondents' favor. Pet. App. 32a-85a. The court first rejected petitioners' argument that the Eleventh Circuit's *Greenberg* decision was entitled to preclusive effect under the doctrine of offensive non-mutual collateral estoppel, concluding that the application of that discretionary doctrine "would disserve the public interest in having the important issue presented here resolved definitively and would be inequitable." *Id.* at 60a-61a.

The court next rejected petitioners' argument on the merits that the CNG was not a privileged revision under § 201(c) of the Copyright Act. *Id.* at 61a-69a. As the court explained, the CNG preserved intact the context of the original collective work, because "[e]ach page of each issue appears to the user exactly as it was in the scanned print version of the Magazine, including all text, images, advertising and attributions." *Id.* at 64a. The court expressly rejected the Eleventh Circuit's conclusion that the addition of any copyrightable material *per se* negated the creation of a "revision"; as the court noted, "[e]very revision is an original work of authorship and therefore a new product, yet each is protected by Section 201(c)." *Id.* at 66a-67a.

A unanimous panel of the Second Circuit (Winter, J., joined by Katzmann and Raggi, JJ.) affirmed in all relevant respects.[2] The court first endorsed the district court's refusal to apply offensive non-mutual collateral estoppel,

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[2] The Second Circuit reversed the district court with respect to five specific photographs governed by specific contracts between the parties rather than the general default rule of § 201(c). *See* Pet. App. 27a-28a. That portion of the decision below is not at issue here.

applying the familiar factors set forth in *Parklane Hosiery Co. v. Shore*, 439 U.S. 322, 329 (1979). Pet. App. 18a-19a.

The Second Circuit next agreed with the district court (and disagreed with the Eleventh Circuit) that "The Complete National Geographic" is a protected "revision" within the meaning of 17 U.S.C. § 201(c). Pet. App. 20a-21a. As the court explained, "[t]he CNG presents the underlying works to users in the same context as they were presented to the users in the original versions of the Magazine." *Id.* at 20a; *see also id.* ("[T]he original context of the Magazines is omnipresent in the CNG."). The fact that the CNG includes additional copyrightable elements was not dispositive, the court held, because "these changes do not substantially alter the original context." *Id.* at 21a; *see also id.* at 19a (rejecting *Greenberg*'s holding "that if a subsequent work contains independently copyrightable elements not present in the original collective work, it cannot be a revision privileged by Section 201(c)").

Petitioners subsequently moved for panel rehearing and/or rehearing *en banc*, but failed to garner a single vote. Their three separate petitions follow.

REASON FOR GRANTING THE WRIT

The Second Circuit's Decision Below Squarely Conflicts With Eleventh Circuit's *Greenberg* Decision.

Although respondents prevailed below, they agree with petitioners that this Court's review is warranted because "a United States court of appeals has entered a decision in conflict with the decision of another United States court of appeals on the same important matter." S. Ct. Rule 10(a). The Second Circuit has held that "The Complete National Geographic" is a privileged "revision" within the meaning of 17 U.S.C. § 201(c); the Eleventh Circuit has held that it is not. In the Second Circuit, a publisher may reproduce a printed collective work on CD-ROM even if additional copyrightable materials are added, *see* Pet. App. 20a-21a; in

the Eleventh Circuit, the publisher may not, *see Greenberg*, 244 F.3d at 1273.

The root of the problem, as the Second Circuit recognized, lies with the *Greenberg* court's conclusion that a "revision" cannot include independently copyrightable elements not present in the original collective work. The Eleventh Circuit based that conclusion not on the statutory text, but on the following passage from the legislative history:

> Under the language of [§ 201(c)] a publishing company could reprint a contribution from one issue in a later issue of its magazine, and could reprint an article from a 1980 edition of an encyclopedia in a 1990 revision of it; *the publisher could not* revise the contribution itself or *include it in* a new anthology or *an* entirely different magazine or *other collective work*.

244 F.3d at 1272-73 (quoting H.R. Rep. No. 94-1476, at 122-23 (1976), reprinted in 1976 U.S.C.C.A.N. 5659, 5738; emphasis added by Eleventh Circuit)). By stringing together the italicized words from that passage, the Eleventh Circuit created the following sentence: "[T]he publisher could not include [the contributions] in an other collective work." The Eleventh Circuit then interpreted that sentence to mean that the creation of a new (or "other") collective work necessarily negates the existence of a "revision." *See* 244 F.3d at 1273. Under this view, the CNG is an "other collective work"—as opposed to a "revision"—because it includes not only the original magazines, but also the independently copyrightable introductory sequence and computer program. *See id.*

That approach, as the Second Circuit explained, *see* Pet. App. 20a-21a, conflicts with the text and structure of the statute. To determine whether an underlying work has been reproduced as part of a "revision" of an original collective work, a court must "'focus on the [underlying works] as presented to, and perceptible by, the user of the [CNG].'"

Pet. App. 20a (quoting *Tasini*, 533 U.S. at 499; brackets added by Second Circuit). Whether additional copyrightable material has been added is immaterial, as long as the "revision" presents the underlying work in its original context. Pet. App. 20a-21a. Contrary to the Eleventh Circuit's conclusion, in other words, there is no necessary inconsistency between a "revision" and the creation of a new collective work: "a permissible revision may contain elements not found in the original." *Id.* at 21a. As long as the additional elements "do not substantially alter the original context," *id.*, they do not negate the existence of a "revision" under § 201(c).

Indeed, as the district court below noted, the Eleventh Circuit's contrary conclusion contradicts not only the statutory text, but also the very passage of the legislative history on which the Eleventh Circuit relied. *See* Pet. App. 62a. The legislative history, after all, says that the § 201(c) privilege does not apply to an "entirely different" collective work, but a "new" collective work is not invariably an "entirely different" collective work. Thus, the Eleventh Circuit erred by focusing only on whether a "new" (or "other") collective work was created, as opposed to whether such a new collective work is "entirely different" from the original. *See id.* As the district court explained,

> A revised edition of an encyclopedia ... would contain some articles that have been revised to take account of new learning and some entirely new articles, as well as some articles in precisely their original forms. Each revised and new article would be copyrightable independently. Hence, *Greenberg*'s holding—that the presence of independently copyrightable material is inconsistent with a conclusion that the CNG is a "revision" of the print versions of the Magazine—cannot be reconciled with the legislative history. Indeed, it "defies the very

> legislative history" upon which the Eleventh Circuit relied.

Id. (quoting Jennifer L. Livingston, Casenote, *Digital "Revision": Greenberg v. National Geographic Society*, 70 U. Cin. L. Rev. 1419, 1429-32 (2002)).

The Eleventh Circuit's approach also violates the Copyright Act's "fundamental principle" of medium neutrality. Pet. App. 67a; *see also id.* at 25a. The Eleventh Circuit emphasized that the CNG reproduced the original magazines "in a new medium." *Greenberg*, 244 F.3d at 1273. But that consideration, as both the Second Circuit and the district court below noted, is legally irrelevant, because "[t]he transfer of a work from one medium to another generally does not alter its character for copyright purposes." Pet. App. 25a. As long as the context of the original collective work is preserved, the medium in which it is reproduced—whether microfilm, microfiche, CD-ROM, or any other existing or new medium—does not matter.

Similarly, the Eleventh Circuit erred by attaching any weight to the proposition that the CNG was "created ... for a new market." *Greenberg*, 244 F.3d at 1273. Petitioners also make much of this point. *See, e.g.*, Psihoyos Pet. (No. 05-490), at 3-6, 9, 15, 19; Ward Pet. (No. 05-504), at 6-7; Faulkner Pet. (No. 05-506), at 7. Nothing in the text or legislative history of § 201(c), however, suggests that the existence of a "revision" of an original collective work turns on the "market" for such a product. The statute does not allocate rights in different "markets"; rather, it gives authors a copyright in their individual work and publishers a copyright in the collective work as a whole. Whether a revised collective work is sold in a different "market" than the original has no bearing whatsoever on whether the revision alters the original context. Thus, bound volumes of *National Geographic* magazine or rolls of microfilm or sheets of microfiche may serve a different "market" (*e.g.*, libraries) than individual issues of the magazine, but no one would

suggest that respondents are not entitled to publish past issues in these other media.

This Court should not allow this clear circuit conflict to fester. From the outset, respondents challenged the Eleventh Circuit's *Greenberg* ruling as inconsistent with *Tasini*, and sought this Court's review more than four years ago to correct that ruling. This Court, however, denied the petition outright, without even directing the Eleventh Circuit to reconsider its ruling in light of *Tasini*. *See National Geographic Soc'y v. Greenberg*, 534 U.S. 951 (2001) (denying certiorari in No. 01-186).

Now that the Second Circuit has rejected *Greenberg*, this Court's review is necessary and appropriate. In light of the circuit conflict, respondents and other owners of copyrights in collective works cannot know the scope of their rights, and hence are necessarily chilled from exercising them. Thus, respondents cannot realistically publish the CNG as long as the conflict persists. This situation, of course, undermines "Congress' paramount goal in revising the 1976 [Copyright] Act": to enhance "predictability and certainty of copyright ownership." *Community for Creative Non-Violence v. Reid*, 490 U.S. 730, 749 (1989).

And even more fundamentally, clarification of the law in this area is vital to the preservation and diffusion of collective works in an era of rapid technological change. Technology now puts more than a century of *National Geographic* magazines at an individual's ready and inexpensive disposal: the CNG often retailed for considerably less than $100, and granted users access to all back issues of *National Geographic* magazine (which, in paperbound form, take up an entire room) on just thirty discs. But *National Geographic* is hardly alone in this regard; rather, *all* collective works (including magazines, newspapers, and encyclopedias) published on paper in the twentieth century and earlier (and thus inevitably subject to deterioration and decay) can now be made readily and inexpensively available in electronic and/or digital format.

The Eleventh Circuit's *Greenberg* decision, however, effectively gives freelancers the power to stop publishers from creating electronic or digital archives of their own collective works. At issue here, in short, is the future of public access to digital information depositories. It is hard to imagine a more compelling reason for this Court to clarify the law, and reaffirm copyright's constitutional goal of "promot[ing] the Progress of Science and useful Arts." U.S. Const. art. II, § 8, cl. 8.

In addition, petitioners themselves identify another such reason: failure to resolve the circuit conflict "will result in extensive forum shopping." Psihoyos Pet. (No. 05-490), at 19; *see also* Ward Pet. (No. 05-504), at 13; Faulkner Pet. (No. 05-506), at 18. Petitioners are to be commended for their candor on this score, since petitioners here are the plaintiffs in these cases, and plaintiffs are ones who pick the forum in the first place. What petitioners are saying, in other words, is that the Eleventh Circuit now beckons as a magnet for future lawsuits against respondents and other publishers.

If this Court is inclined to grant the petitions, respondents respectfully suggest that the Court grant the question presented at the front of this brief. Each of the three petitions frames the question presented differently, and each of them does so in a lengthy and argumentative fashion. *Cf.* S. Ct. Rule 14.1 ("The questions should be short and should not be argumentative or repetitive."). It is entirely appropriate, under these circumstances, for this Court to reformulate the question presented, *see, e.g.*, Robert L. Stern *et al.*, *Supreme Court Practice* § 6.25, at 416-17 (8th ed. 2002), and respondents respectfully propose the formulation set forth at the front of this brief.

Regardless of how the question presented is formulated, respondents urge this Court to make clear that it is limited to the statutory issue on which the Second and Eleventh Circuits are in conflict, and does not encompass the additional arguments that petitioners raised below. Only the Faulkner petition (No. 05-506) now appears to press any

such additional arguments (collateral estoppel, contract, transferability, and contributory infringement), but they do not remotely warrant this Court's review. With respect to collateral estoppel, the Faulkner petitioners simply challenge the Second Circuit's application of "well established" law to the facts of this case, and identify no legal conflict. *See* Faulkner Pet. (No. 05-506) at i, 11, 18-23. Moreover, the application of offensive non-mutual collateral estoppel is discretionary, *see, e.g.*, *Parklane Hosiery*, 439 U.S. at 331; *Resolution Trust Corp. v. Keating*, 186 F.3d 1110, 1114 (9th Cir. 1999), and the lower courts' resolution of that discretionary issue in this case would be mooted by this Court's resolution of the underlying statutory issue. Similarly, the contract issue raised by the Faulkner petitioners, *see* Faulkner Pet. (No. 05-506) at i, 24-26, does not warrant this Court's review, because none of the relevant contracts here addresses republication rights, and the whole point of § 201(c) is to provide a default rule where, as here, the relevant contracts are silent. Finally, the transferability and contributory infringement issues mentioned in passing by the Faulkner petitioners, *see* Faulkner Pet. (No. 05-506) at 26-27, are not even properly presented here, because they are not encompassed by any of the questions presented in the Faulkner petition, and indeed the Second Circuit did not even reach the contributory infringement issue because there was no infringement in the first place, *see* Pet. App. 26a.

CONCLUSION

For the foregoing reasons, this Court should grant the petitions for writ of *certiorari* limited to the question presented on the first page of this brief.

Respectfully submitted,

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Nos. 05-490, 05-504, 05-506

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IN THE

Supreme Court of the United States

LOUIS PSIHOYOS *et al.*,

Petitioners,

v.

NATIONAL GEOGRAPHIC ENTERPRISES, *et al.*,

Respondents.

FRED WARD,

Petitioner,

v.

NATIONAL GEOGRAPHIC ENTERPRISES, *et al.*,

Respondents.

DOUGLAS FAULKNER *et al.*,

Petitioners,

v.

NATIONAL GEOGRAPHIC ENTERPRISES, *et al.*,

Respondents.

ON PETITIONS FOR WRITS OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

BRIEF *AMICI CURIAE* OF THE AMERICAN LIBRARY ASSOCIATION, THE AMERICAN ASSOCIATION OF LAW LIBRARIES, THE MEDICAL LIBRARY ASSOCIATION, AND THE SPECIAL LIBRARIES ASSOCIATION IN SUPPORT OF THE RESPONDENTS

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INTERESTS OF *AMICI CURIAE*[1]

This brief *amici curiae* is submitted by the American Library Association, the American Association of Law Libraries, the Medical Library Association, and the Special Libraries Association ("*Amici*") pursuant to Rule 37 of the Rules of this Court. *Amici* urge that the Court grant the requested writ of certiorari and affirm the judgment of the U.S. Court of Appeals for the Second Circuit.

* * * * *

The **American Library Association** ("ALA") is a nonprofit educational organization of approximately 65,000 librarians, library educators, information specialists, library trustees, and friends of libraries representing public, school, academic, state, and specialized libraries. ALA is dedicated to the improvement of library and information services and the public's right to a free and open information society.

The **American Association of Law Libraries** ("AALL") is a nonprofit educational organization with over 5,000 members nationwide. AALL's mission is to promote and enhance the value of law libraries to the legal and public communities, to foster the profession of law librarianship, and to provide leadership in the field of legal information and information policy.

The **Medical Library Association** ("MLA") is a nonprofit, educational organization comprised of 4,700 health sciences information professionals and institutions. Through its programs and services, MLA provides lifelong educational opportunities, supports a knowledge base of health information research, and works with a global network of partners to promote the importance of quality information for improved health to the health care community and the public.

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1. Letters from all parties consenting to the filing of this brief have been filed with the Clerk of this Court. No counsel for a party authored this brief in whole or in part, and no person or entity other than amici curiae, or their counsel, made a monetary contribution to the preparation or submission of this brief.

The **Special Libraries Association** ("SLA") is a nonprofit organization for information professionals and their strategic partners, and serves more than 12,000 members in the information profession, including corporate, academic and government information specialists.

* * * * *

Amici are organizations devoted to representing the interests of institutions and professionals responsible for collecting and preserving historical, scholarly and other records, including periodicals and other collective works, and for making these materials available to researchers and the public at large. These institutions and individuals assist their patrons in researching, retrieving and using these materials in traditional paper media, in microform, in CD-ROM and other multi-media formats, and via online services and the Internet. A significant part of their mission is to make available reliable, accessible, comprehensive repositories of back issues of newspapers, magazines, journals and other periodicals. In furtherance of that mission, they acquire licensed databases and digitized collective works and many are even involved with digitizing public domain works and copyrighted works in conjunction with copyright owners. Moreover, many institutional and individual members of *Amici* use the very CD-ROM product at issue in this case. *Amici* accordingly submit this brief to assist the Court's understanding of the practical implications of the issues at stake in this case.

SUMMARY OF ARGUMENT

This case presents a direct, material and acknowledged conflict between two U.S. courts of appeal on an important question of federal copyright law. In the proceedings below,[2] the U.S. Court of Appeals for the Second Circuit held that Section 201(c) of the Copyright Act (17 U.S.C. § 201(c)) confers upon Respondents the privilege of reproducing and distributing

2. The opinion below is reproduced in the "Appendix" to the "Petition for Writ of Certiorari" filed with this Court in *Psihoyos v. National Geographic Enters., Inc.*, No. 05-490. Petition Appendix ("Pet. App.") 1a-31a.

the copyrighted works of freelance contributors as part of a CD-ROM product, *The Complete National Geographic* ("CNG"). In the CNG, those contributions are perceptibly reproduced and distributed as part of the original collective works, or revisions thereof, in which they first appeared. The Second Circuit decision is therefore consistent with the Copyright Act of 1976, as amended (17 U.S.C. §§ 101-1332) (the "Act"), and this Court's decision in *The New York Times Co., Inc. v. Tasini*, 533 U.S. 483 (2001) ("*Tasini*").

In the proceedings below, Petitioners sought to rely upon *Greenberg v. National Geographic Society*, 244 F.3d 1267 (11th Cir. 2001) ("*Greenberg*") to preclude Respondents from litigating whether Petitioners' copyrighted works were lawfully reproduced and distributed as part of the CNG pursuant to Section 201(c). The Second Circuit, however, rejected Petitioners' attempts to foreclose further judicial consideration of this legal issue (Pet. App. 18a-19a) that the district court below had aptly characterized as "one of substantial public importance to the development of copyright law *and to its impact on the dissemination of knowledge*." Pet. App. 56a (emphasis added). It likewise rejected the flawed ruling in *Greenberg* that deemed unlawful what is effectively the mere conversion of intact periodicals from one medium to another because that ruling "substantially departs" from this Court's approach in *Tasini*. Pet. App. 19a. *Greenberg* was wrongly decided because the appeals court failed to focus on the Respondents' acts of reproducing and distributing the individual contributions "as part of" the original collective works or permissible revisions thereof, and disregarded how the contributions are "presented to, and perceptible by, the user. . . ." *Tasini*, 533 U.S. at 499. Rather, the *Greenberg* court found the CNG impermissible under Section 201(c) because, in essence, it combined digital facsimiles of entire collective works (scanned pages or the "replica" portion of the CNG) with software that enables users to search and perceive them with the aid of a machine or device. *See Greenberg*, 244 F.3d at 1273 n.12. The Second Circuit, like the district court below, rejected this reasoning and recognized

that digital fixations reproduced and distributed in the CNG are materially the same as the type of analog microfilm collections that this Court observed (*Tasini*, 533 U.S. at 501-02) are permissible under Section 201(c). *See* Pet. App. 20a-21a; 64a-65a and n. 85.

As a practical matter, unless this Court affirms the Second Circuit's ruling, the flawed decision in *Greenberg* will stand as the "law of the land," and this will almost certainly have a negative impact on libraries and their patrons for many years to come. Carried to its logical conclusion, the *Greenberg* ruling raises the specter of Section 201(c) being frozen in time, exclusively applying to older, non-digital technology to the detriment of research, scholarship and learning. The *Greenberg* decision inhibits the dissemination of collective works via digital and electronic media that involve combining digital facsimiles of complete collective works with software that enables users to perceive them. This ruling on what is allowed by the Copyright Act thwarts broader public availability not only of popular works like those of National Geographic, but also less widely accessible periodicals. Digital and electronic media also have functionality that exceeds traditional analog media and digitization is now one additional reformatting strategy to both preserve and provide access to many library collections. Notwithstanding the Second Circuit's ruling below, the *Greenberg* decision will continue to stymie the adoption and evolution of such useful technologies – unless and until this Court overrules it – because of the potential for publishers and other entities to be sued in the Eleventh Circuit over actions they take elsewhere.

ARGUMENT

A fundamental goal of copyright law is to promote "broad public availability of literature, music, and the other arts" through a system of private reward to authors. *Twentieth Century Music Corp. v. Aiken*, 422 U.S. 151, 156 (1975). At base, this Court's decision in *Tasini* was about fair compensation to individual authors when commercial electronic database publishers, without additional permission, reused articles from

previously published collective works to create entirely different collective works and sell articles on an individual basis. Thus, it protected the author's private reward pursuant to the balance that Congress struck in enacting Section 201(c). The instant case, by contrast, is ultimately about the other side of that balance. It is about the ability of collective work owners to take advantage of new technologies to distribute their creative works more broadly, and ultimately the public's ability to access and use them.

Although the facts of this case and *Greenberg* are superficially similar to those in *Tasini* (i.e., they address whether publishers are entitled under Section 201(c) to reproduce freelance contributions in certain electronic contexts), there are, as recognized below, critical differences that make the CNG permissible under Section 201(c). *See* Pet. App. 5a-6a; 20a-21a; 69a. However, unless this Court affirms the Second Circuit's decision and rejects the reasoning of *Greenberg*, it is difficult to see how Section 201(c) could apply in a digital environment, even if the product in question otherwise met all the requirements of Section 201(c). Thus, *Greenberg* will likely continue to have an adverse impact on the public availability of copyrighted works and the development of new media collections.

I. *Greenberg* Is Contrary To Section 201(c) And *Tasini*, And It Found Infringement Based On Mere Conversion Of Works Into A Medium Requiring A Machine Or Device To Perceive Them

A. The CNG Is Distinguishable From The Products At Issue In *Tasini*

It is permissible under Section 201(c) for the owner of a collective work copyright to reproduce an exact facsimile of the complete collective work, whether in paper or other forms, such as microfilm and microfiche. *See Tasini*, 533 U.S. at 501-02. This would be true even if multiple, exact reproductions were combined into a single package in which several entire issues of a series of collective works would be distributed as a

unit (like traditional microfilm). *See id.* at 501. When one distributes the constituent works in this manner, one is both reproducing and distributing them "as part of" the original collective works, as provided for in Section 201(c), including all of the selection, coordination, and arrangement of the original collective works. These practices, which are not problematic under *Tasini* when applied to traditional media, become impermissible under the *Greenberg* analysis if the exact facsimile is in digital form with supporting software. As the Second Circuit recognized below, this conclusion is not required by or consistent with *Tasini*.[3]

In *Tasini*, this Court was faced with three different electronic database products and held that none of them complied with the requirements of Section 201(c). One product was the NEXIS online database in which millions of articles in electronic file format from thousands of periodicals had been reproduced and made available online to users, in effect on an individual basis. *See Tasini*, 533 U.S. at 499-500. The other two were CD-ROM products. One, known as "GPO," was image-based. It showed each article exactly as it appeared on the printed page, *but the CD-ROM contained articles from approximately 200 publications or sections of publications. Id.* at 491. The other CD-ROM product contained only the *New York Times*, *but it did not have the original formatting or accompanying images*

3. The *Greenberg* court assumed, but did not decide, that the "replica" portion of the CNG was permissible under Section 201(c). 244 F.3d at 1272. Petitioners, however, effectively claim that even the "replica" portion is impermissible because multiple issues of the magazine are included in one product. *See* Psihoyos Pet. (No. 05-490) at 17; Ward Pet. (No. 05-504) at 20-21. The Second Circuit implicitly rejected these contentions, as the reproduction and distribution to the public of multiple issues of a periodical via the same piece of plastic in digital form is highly analogous to the use of microforms. *See* Pet. App. 20a-21a. It does not diminish the fact that the contributions to those periodicals are thereby being reproduced and distributed "as part of" the original collective works. *Accord* Pet. App. 68a-69a (CNG is a package that contains substantially everything that made the magazine copyrightable as a collective work).

from the original publication. Id. at 500. Both of the CD-ROM products in *Tasini* displayed the articles *in such a way that they were not linked to other articles appearing in the original print publications* and the user who wished to see other pages of the original collective work could not simply "flip" to them. A new search was required. *Id.* at 491 n.2. These characteristics destroyed the claim that the reproductions and distributions of the articles therein were "as part of" qualifying collective works.

In deciding that these products were not permissible under Section 201(c), this Court's focus in *Tasini* was on the freelance articles "as presented to, and perceptible by, the user" of the commercial electronic databases before it. *Id.* at 499. The Court's inquiry was "whether the database itself perceptibly presents the author's contribution as part of" the collective work or revision thereof. *Id.* at 504. The products in *Tasini* presented freelance articles to users "clear of the context provided either by the original periodical editions or by any revision of those editions." *Id.* at 499. The products did not perceptibly reproduce and distribute the freelance articles "as part of" the original periodicals or permissible revisions. *Id.* at 500. Significantly, the products offered users individual articles, not intact periodicals, and did not involve "a mere conversion of intact periodicals (or revisions of periodicals) from one medium to another" as happens with microfilm. *Id.* at 501-02.

Turning to the CNG, this product is fundamentally a mere conversion of intact print periodicals into the medium of CD-ROMs. The freelance contributions alleged to be infringed appear in the CD-ROM versions *in the exact positions* in which they appeared in the original print version of the magazines. Pet. App. 5a, 20a. Photographs and articles are presented in the context of the full, original issues (even with original advertising). Pet. App. 5a-6a; 64a. In addition, a user of the CD-ROM can "flip" to other articles and pages in the digital facsimile of an issue in the same order in which those articles and pages were originally presented in the printed editions. *See id.* at 5a; 64a-65a. Although there are 100 years (or more)

of issues reproduced on multiple discs, *National Geographic* is the only periodical that appears in the CD-ROM version. A user encounters very few materials that have been added to the CD-ROMs that are not digital facsimiles of the original magazines or software that permits viewing them[4] and searching them for specific issues and articles. These added materials perceptible to users include (depending on which version of the NGS is at issue) a few short advertising videos, a start-up video montage that lasts for a few seconds, an introductory tutorial, a chronological table of contents, very short article summaries in lists of search results, and links to the National Geographic Society website.[5] Pet. App. 6a; 40a-41a and n.23.

Thus, the freelance contributions are reproduced and distributed to the public "as part of" the original collective work or revision of the original collective work. The freelance contributions are not being made available on a piecemeal basis or being sold a la carte out of a database that combines multiple periodical titles. *Cf. Tasini*, 533 U.S. at 489, 499-500. The contributions are not stored and retrieved "separately within a vast domain of diverse texts" (*id.* at 503) and thus, the reproduction and distribution of the contributions in the context of digital facsimiles of the original periodicals do not effectively override the contributors' exclusive right to control the individual reproduction and distribution of each contribution. *Cf. id.* at 503-04. In all material regards, the contributions are perceptibly reproduced as part of the digital facsimiles of the

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4. There are minor variations among succeeding versions of the CNG. For instance, later versions of the CNG also apparently include software tools, such as tools to darken text for easier reading, to rotate images, bookmark pages, and similar capabilities. Pet. App. 6a.

5. *Amici* submit that, as the Second Circuit held, for purposes of Section 201(c) these additional elements are merely incidental and of no significance to the status of the CNG as a qualifying reproduction. *See* Pet. App. 21a. They do not alter the essence of the digital facsimiles embodied in the CNG and have no separate value to the product's user. They are of no greater significance than putting a new cover on a book or adding a table of finding aids to the head of a microfilm roll.

original *National Geographic* magazines. These CD-ROMs are therefore materially distinguishable from each of the products at issue in *Tasini*.

B. The Flaws In The *Greenberg* Analysis

The Second Circuit rightly rejected the reasoning of the Eleventh Circuit's decision in *Greenberg* because that decision failed to reflect the relevant distinctions between the product at issue before it (and before this Court) and those at issue in *Tasini*. The *Greenberg* opinion also erroneously suggested that it is impermissible under Section 201(c) for a collective work owner to combine into a single product the digitized text and images of a complete collective work with software that enables users to perceive and search the collective work with the aid of a computer. Under the Eleventh Circuit's reasoning, the addition of search and access software to a product containing digitized periodicals is in effect *per se* impermissible under Section 201(c). The court had claimed in its opinion not to decide that issue. 244 F.3d at 1273 n.12. However, the software issue was clearly the dominant element of its analysis. *See id.* at 1273. Under the *Greenberg* reasoning no publisher can rely on Section 201(c) to release a collection of its works in CD-ROM or digital format because of the need for and use of supporting software. *Amici* believe this analysis to be an error that could materially diminish public access to works and reduce the dissemination of collective works reproduced and distributed in digital form in a manner consistent with Section 201(c) as explained in *Tasini*. Indeed, in view of the Petitioners' nearly palpable fear of digitization in general (*see, e.g.*, Psihoyos Pet. (05-490) at 3, 6, 18-19; Faulkner Pet. (No. 05-506) at 14-15; Ward Pet. (No. 05-504) at 2, 16-17, 23; *see also* Pet. App. 69a n.91), it is clear that they desire this result.

In the CNG, the original collective works that are reproduced in digital facsimiles are not themselves changed by the conversion from paper to CD-ROM. In this regard, there is merely a transformation from analog to digital media. The necessity of using an additional "work", i.e., another computer

program, to view the unchanged collective works should be analytically irrelevant because under the Act, a copy of a work that is perceptible *without* a machine or device stands on equal footing with a copy that is perceptible *with* one. The Act provides that copyright protection adheres to works of authorship "fixed in *any* tangible medium of expression, *now known or later developed*, from which they can be perceived, reproduced, or otherwise communicated, either directly or *with the aid of a machine or device*." 17 U.S.C. § 102(a) (emphasis added). *See also* 17 U.S.C. § 101 ("copies" defined as material objects in which a work "is fixed by *any* method *now known or later developed*, and from which the work can be perceived, reproduced, or otherwise communicated, either directly or *with the aid of a machine or device.*") (emphasis added).

The CNG embodies digital fixations that are materially similar to the type of analog microfilm collections that this Court has already observed are permissible under Section 201(c).[6] The freelance contributions are perceptible to the end users of this product "as part of" the original collective works, just as they are to the end-users of a roll of microfilm. The end-user encounters the software component of the product in effect only as part of the "machine or device" that permits the collective work to be perceived. It is functionally analogous to a lens, light, and the knobs on a microfilm viewer. It is not perceptibly presented to the end user as matter that has been added to the original collective works.

Even if the CNG were not to be viewed as embodying mere reproductions of the original collective works, the addition of these software elements to the digital medium could be viewed

6. "Microforms typically contain continuous photographic reproductions of a periodical in the medium of miniaturized film. Accordingly, articles appear on the microforms, writ very small, in precisely the position in which the articles appeared in the newspaper." *Tasini*, 533 U.S. at 501. "True, the microfilm roll contains multiple editions, and the microfilm user can adjust the machine lens to focus only on the Article, to the exclusion of surrounding material. Nonetheless, the user first encounters the Article in context." *Id.*

as the creation of a permissible "revision" under Section 201(c). As the Second Circuit recognized, the concept of a "revision" can encompass some level of addition and/or deletion of copyrightable matter. Pet. App. 21a. Neither the Act nor its legislative history suggest otherwise.[7] If the "final" edition of a traditional print newspaper contained additional photographs and text – both qualifying as additional copyrightable works – absent from the "early" edition, this could be fairly characterized as being a permissible "revision." Likewise, adding copyrightable matter that is not perceptible to end users as matter added to the collective work being viewed, but encountered as part of the "machine or device" that enables them to search and view the collective work, could be fairly deemed to be a "revision" of the collective work.

II. Failure To Review The Decision Below Would Adversely Affect The Library And Archival Communities And Collective Work Users

A. Adverse Effects

This Court's resolution of the conflict between the circuits would have far-reaching implications beyond the parties to this case and its impact would not be isolated to collective work copyright owners and contributors. It would also have profound consequences for the library and archival communities and those who use collective works. For *Amici*, *Greenberg* was ominous. Under it, no collective work reproduced or distributed via CD-ROM, online technology, or other new technology requiring additional software to facilitate viewing or searching could ever qualify for the Section 201(c) privilege as a practical matter even if the product met the statutory criteria in all other respects. *Greenberg* therefore inhibits the dissemination of collective works via digital and electronic media. Such products make it much easier to access information resources, and make possible

7. *See* H.R. REP. NO. 94-1476, 94th Cong., 2d Sess. 122-23 (1976), *reprinted in* 5 U.S.C.C.A.N. 5659, 5738 (1976) (under 201(c) a publishing company could reprint an article from a 1980 edition of an encyclopedia in a 1990 revision of it).

the retrieval and use of data in powerful ways not possible with analog media. They are of enormous value to library patrons, particularly students, scholars and historians, and nothing in Section 201(c) or *Tasini* should be understood to deprive these users completely of such powerful tools.

The sweeping implication of the Eleventh Circuit's decision would, if left undisturbed, thwart broader public availability not only of well-disseminated works like those of National Geographic. Access to more obscure, less widely accessible magazines, newspapers, scholarly journals and other periodicals would also be frustrated. These collective works could potentially be made accessible to a broader segment of the population, but not if digital and electronic media compilations of them are effectively *per se* impermissible under Section 201(c), as they appear to be under *Greenberg*.[8]

The strong public and scholarly interest in such periodicals is evidenced by the fact that digital replicas of public domain works, including collective work periodicals, are being made available online for no fee at an increasingly rapid rate. *See, e.g.*, Library of Congress, The Nineteenth Century in Print: Periodicals[9] (listing titles and years of complete digital facsimiles of historic nineteenth century periodicals digitized by Cornell University Library and the Preservation Reformatting Division of the Library of Congress); Bruce Cole, "The National Digital

8. Although the petitioners in *Tasini* voiced similar public access concerns in that case, this Court found that those concerns could not override the language of Section 201(c) as applied to the specific products at issue in that case and recognized that the question of continued public availability of those works could be addressed in the context of the remedial phase of the case. *Tasini*, 533 U.S. at 504-06. But in this case, the product is distinguishable from those in *Tasini* and a fair application of the statute requires a different outcome. No remedy is needed because the collective work copyright owner has committed no wrong.

9. *At* http://memory.loc.gov/ammem/ndlpcoop/moahtml/snctitles.html (last visited Nov. 16, 2005).

Newspaper Program"[10] (Organization of American Historians and Library of Congress partnership to convert microfilm of historic U.S. newspapers into digital files, to be permanently available through the Library of Congress via the Internet); Brooklyn Public Library, *Brooklyn Daily Eagle Online*[11] (online digital facsimiles of the Brooklyn Daily Eagle from 1841-1902, digitized by the Brooklyn Public Library); J. Willard Marriott Library at the University of Utah, Utah Digital Newspapers[12] (online digital facsimiles of pages from Utah newspapers freely available on the Internet, digitized by the J. Willard Marriott Library at the University of Utah); Press Release, University of Richmond, "University of Richmond Library Receives $478,141 Grant to Create Digital Database of Civil War-Era Newspapers" (Oct. 13, 2003)[13] (project to digitize newspapers from both Union and Confederate perspectives from 1857-1865). There is also substantial demand for, and utility to libraries and their patrons from the availability of, digitized replicas of collective works that are still subject to copyright protection and only available with the authority of the collective work copyright owners. *See, e.g.*, JSTOR, The Scholarly Journal Archive[14] (detailed listing of scholarly journal titles and years available; includes public domain and copyrighted material).[15]

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10. *At* http://www.oah.org/pubs/nl/2004may/cole.html (last visited Nov. 16, 2005).

11. *At* http://www.brooklynpubliclibrary.org/eagle/index.htm (last visited Nov. 16, 2005) and http://eagle.brooklynpubliclibrary.org/Archive/skins/BE/about.htm (last visited Nov. 16, 2005).

12. *At* http://www.lib.utah.edu/digital/unews/ (last visited Nov. 16, 2005); *see also* http://www.lib.utah.edu/digital/unews/ (last visited Nov. 16, 2005) (about the program).

13. http://oncampus.richmond.edu/news/press/oct03/grant.html.

14. *At* http://www.jstor.org/about/alpha.content.html (last visited Nov. 16, 2005).

15. When digital facsimiles of print materials are made accessible via the World Wide Web, the widest range of users have equal access to collections from any location whether they are on- or off-site. A virtual

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The decision in *Greenberg*, unless overruled, will also have an adverse impact on preservation efforts. These are closely related to but distinct from access concerns. Cultural institutions serve the international community by building, protecting, preserving and ensuring continued access to diverse collections and resources. The challenges of preserving collections have been addressed in different ways over time. Libraries have used conservation to preserve the original artifact and reformatting strategies, such as microfilm and print facsimiles, to retain content, enhance access, and protect the original from excessive wear. Over the past several years, libraries have moved toward using digitization as an additional, and in some cases, a preferred method for reformatting endangered and fragile paper-based materials to both preserve and provide access to library collections.

Effective use of digitization frequently involves both creating complete, digital facsimiles of a collective works, and combining the digital facsimiles with computer software (that is itself comprised of one or more separate "works" under the Act) that enables users to view and search the collective works with the aid of a machine or device. Indeed, libraries make significant investments in supporting the development of technologies with the goals of improving both user access and long-term preservation capabilities. The *Greenberg* decision stymies the adoption and evolution of such media to the detriment of the public in both regards.

Along with access and preservation concerns, *Amici* institutions face ever-escalating demands on their physical space and economic resources. CD-ROM and online versions of newspapers and magazines now – and eventually other products

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environment of digital files can combine content from many kinds of resources including primary source material, and provide powerful opportunities to integrate materials seamlessly into instruction and course management systems for teaching and learning. Digitization allows users to create virtual collections that will support new and creative research made possible only in a digital environment.

yet to evolve – can greatly reduce the space requirements of many libraries. Thus, if this Court fails to take this opportunity to reject the reasoning of *Greenberg*, such institutions would suffer adverse impacts on their space requirements and face potentially huge increases in costs of operation and maintenance. This would have the collateral effect of reducing the amount of material and variety of sources easily available to library patrons. It would also needlessly impose on collective work copyright owners the obligation to locate,[16] negotiate with, and pay additional compensation to contributors (or their heirs or assigns), a requirement that could dramatically drive up the ultimate cost of digital resources for libraries and similarly situated institutions.[17] This is not an outcome that Section 201(c) requires and therefore constitutes an additional, avoidable harm to libraries and their patrons.

B. Litigation Risks To Publishers Exacerbate The Adverse Effects Of *Greenberg*

Notwithstanding this Court's decision in *Tasini* or the Second Circuit's decision below, the Eleventh Circuit's decision in *Greenberg* is likely to remain the de facto law of the land and the publishing world, even if no other circuits follow it, unless and until this Court overrules it. Few publishers are likely to have a commercial interest in publishing digital versions of their

16. In a recent study by the Carnegie Mellon University Libraries to determine the feasibility of acquiring permission to digitize copyrighted material in their collections and make it available on the Internet, only about half the requests to a sample of several hundred copyright holders resulted in yes/no answers, nearly a third of holders who received a request letter did not respond at all, and addresses were never found for about eleven percent of the holders. Carole A. George, Carnegie Mellon University Libraries *Exploring Feasibility of Seeking Copyright Permissions* (2002), *at* http://www.library.cmu.edu/Libraries/FeasibilityStudyFinalReport.pdf.

17. Collective work copyright owners might also choose to forego these additional transaction costs and delete freelance submissions from digitized works, or not produce them at all. Either outcome would harm libraries and their patrons.

collective works in less than the entire country. Any publishers contemplating doing so would seek to avoid reproducing and distributing their collective works in any manner that would likely subject them to copyright infringement lawsuits in federal district courts in the Eleventh Circuit. For some this may mean that they will risk making digital products only available in New York, Connecticut and Vermont. Others may risk the uncertainty of making those works available everywhere outside the Eleventh Circuit. If the "best case" result of the present circuit split would be that students, scholars, and other library patrons in Albany, Georgia will not have access to the same resources that are available to those in Albany, New York, this would clearly be at odds with the goals of the federal copyright laws.

Even this unacceptable result is less likely, however, than the prospect that the vast majority of publishers will avoid the litigation risk altogether and choose not to bring digital versions of their collective works to the marketplace. Even the most careful distribution model might still subject a publisher or its distributors to being haled into court in Alabama, Florida, or Georgia and held liable under the flawed standard of *Greenberg*.[18] The federal venue statute for copyright cases provides that copyright infringement suits "may be instituted in the district in which the defendant or his agent resides or may be found." 28 U.S.C. § 1400(a). "It is well settled that,

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18. Respondents note that they cannot "realistically publish a work that is lawful in three States but unlawful in three others." Respondents' Br. at 1. This assessment may be unduly optimistic: for a defendant being sued in the Eleventh Circuit the work would not be lawful in *any* states. *See Murphy v. Federal Deposit Ins. Corp.*, 208 F.3d 959, 964-66 (11th Cir. 2000) (in cases where federal law is at issue transferee courts are obligated to follow their own interpretation of the relevant law and the binding precedents of their own circuits, not conflicting interpretation of the relevant law binding on the courts in the transferor court's circuit); *Eckstein v. Balcor Film Investors*, 8 F.3d 1121, 1126 (7th Cir. 1993) (the norm is that each court of appeals considers questions of federal law independently and reaches its own decision, "without regard to the geographic location of the events giving rise to the litigation.").

based upon this language, venue in copyright actions is coextensive with jurisdiction. . . . In other words, where there is jurisdiction, there is venue." *Foxworthy v. Custom Tees, Inc.*, 879 F. Supp. 1200, 1207 (N.D. Ga. 1995). Therefore, even acts outside the states in the Eleventh Circuit could conceivably subject a publisher to a lawsuit in a district court within that circuit if a state's long-arm statute so permits because of harm to the intangible intellectual property rights of an author who lives in that state[19] and the exercise of personal jurisdiction over the publisher is consistent with the Due Process Clause.[20] Under

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19. *See Cable/Home Communication Corp. v. Network Productions, Inc.*, 902 F.2d 829, 857 (11th Cir. 1990) (former Fifth Circuit stressed that breach of common law copyright subjects wrong-doer to liability in tort within the reach of Florida long-arm statute; long-arm statue not limited to act in Florida causing injury in Florida, but includes situation in which foreign tortious act causes injury within forum) (internal citations and quotations omitted).

20. A district court in the Eleventh Circuit could be asked to assert specific personal jurisdiction over a publisher for activities outside the forum were a collective work contributor to allege that the publisher's actions were tortious, deliberate, and with knowledge at the time that the publisher committed the alleged tort that the contributor would be injured in that state. *See, e.g., Alfa Corp. v. Alfagres, S.A.*, 385 F. Supp.2d 1230 (M.D. Ala. 2005) (holding district court in Alabama could exercise personal jurisdiction over foreign defendant in trademark infringement suit consistent with long-arm statute and Due Process Clause when defendant used mark despite awareness of Alabama plaintiff's mark; defendant could reasonably anticipate that primary effects of conduct would be felt in Alabama); *see also Calder v. Jones*, 465 U.S. 783, 788-89 (1984) (California jurisdiction over Florida defendant held proper in libel action based on injurious effects of Florida conduct on California-based plaintiff's professional reputation and emotional distress suffered in California). In some cases, a publisher might be subject to a state's exercise of general jurisdiction over it if the publisher's contacts with a state are so "substantial" or "continuous and systematic" that it can be haled into court in that state in any action, even if the action is unrelated to those contacts. *See Helicopteros Nacionales de Columbia, S.A. v. Hall*, 466 U.S. 408, 414-15 (1984); *Perkins v. Benguet Consol. Mining*

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the circumstances, risk-averse publishers have a strong motivation to refrain from publishing digital versions of their collective works, despite the Second Circuit's favorable ruling below, lest they be confronted with the prospect of nationwide injunctions against the accused products (17 U.S.C. § 501), and paying to contributing authors substantial damages and/or attorney's fee awards available under the Copyright Act. *See* 17 U.S.C. §§ 504-05.

CONCLUSION

For the foregoing reasons, even though *Amici* believe that the judgment of the court of appeals should be affirmed, this Court should grant the writs of certiorari as to the question presented in the first page of Respondents' Brief.[21]

Respectfully submitted,

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(Cont'd)

Co., 342 U.S. 437, 446-47 (1952); *see also Borg-Warner Acceptance Corp. v. Lovett & Tharpe, Inc.*, 786 F.2d 1055, 1057 (11th Cir. 1986).

21. Like Respondents, *Amici* believe that the other issues raised by some of the Petitioners are not appropriate for this Court's review in light of the lack of any conflict between the Second Circuit's decision and any other court, including this Court, and the correctness of the Second Circuit's ruling on these other issues. See Respondents' Br. at 11-12.

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DOUGLAS FAULKNER, *et. al.*,
Petitioners,

—v.—

NATIONAL GEOGRAPHIC SOCIETY, *et al.*,
Respondents.

FRED WARD,
Petitioner,

—v.—

NATIONAL GEOGRAPHIC ENTERPRISES, INC., *et. al.*,
Respondents.

PSIHOYOS, *et. al.*,
Petitioner,

—v.—

NATIONAL GEOGRAPHIC SOCIETY, *et. al.*,
Respondents.

PETITION FOR A WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

BRIEF OF *AMICI CURIAE* JOHNNY AUTERY; HERB GREER; THE ESTATE OF LOREN McINTYRE; TOM NEBBIA; PHIL SCHOFIELD; NICK SEBASTIAN; WALTER A. STARCK II; LYNN STONE; RICHARD SWANSON; CATHERINE URSILLO; AND ADAM WOOLFITT IN SUPPORT OF THE PETITIONS FOR CERTIORARI

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November 21, 2005

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INTERESTS OF *AMICI CURIAE*[1]

Johnny Autery, Herb Greer, the Estate of Loren Mcintyre, Tom Nebbia, Phil Schofield, Nick Sebastian, Richard Swanson, Catherine Ursillo, and Adam Woolfitt ("*Amici*") are among the Plaintiffs in *Auscape, et. al. v. National Geographic Society, et. al.* currently pending in the Southern District of New York (Case No. 02 Civ. 6441(LAK)). Each *Amici* licensed text and/or photographs for use in the National Geographic Magazine ("NGM") and their works were subsequently used without their permission in the same digital Complete National Geographic ("CNG") Products at issue in these appeals.

Amici's works were produced on assignment and on their own initiative. *Amici* typically retain copyright or have their copyrights returned to them after initial publication so they may exploit their full value. Control over further dissemination of the works is essential to their economic survival. *Amici* rely on their copyrights for their livelihood, their retirement, and to pass to their heirs.

National Geographic Society ("NGS") purchased rights to use *Amici's* works for single print publication. Sums paid by publishers to Authors, including *Amici,* were never designed to compensate them for reuse. NGS now seeks to invoke the §201(c) "privilege" to avoid paying for such reuse.

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[1] Counsel listed for *Amici* authored the brief in whole. Counsel for *Amici* did not represent any party to these actions in the District Court or in the Court of Appeals but has appeared as counsel for the *Faulkner* parties in their Petition to this Court. No persons or entities, other than *Amici*, its members or its counsel, made any financial contribution to the preparation or submission of this brief.

The success of these re-publications is largely dependent on the appeal of *Amici*'s content. *Amici* seek to participate in new markets for the reuse of their previously published works in new media to secure new sources of income. Unless the decision below is reversed, *Amici* and other similarly situated authors will sustain direct and pecuniary losses and will not share in the future economic exploitation of their works.

Judge Kaplan, who adjudicated the *Faulkner, Hiser, Ward* and *Psihoyos* cases for which review is sought, also presides over the *Auscape* case. J. Kaplan has not ruled on motions for summary judgement filed in May 2003 by the parties in *Auscape*. On January 21, 2004 J. Kaplan held that:

> The principal . . . issues presented by [the Auscape] case . . . are substantially common to it and to Faulkner . . . The disposition of those issues on the direct appeals are likely to be dispositive of the identical and similar issues here.

J. Kaplan also has still not ruled on *Amici's* March 4, 2004 request he adopt his rulings from the *Faulkner/Hiser/Ward/Psihoyos* cases, stay the balance of the *Auscape* case and certify it so that the Auscape plaintiffs could participate in this appeal. By his refusals, Judge Kaplan has denied *Amici* their due process rights since he has expressed an intention to give this Court's decision in this case preclusive effect against the Auscape Plaintiffs.

Accordingly, *Amici* have a direct and immediate interest in this case and its outcome.

All parties have consented to the filing of this brief. Copies of the letters of consent are submitted herewith.

QUESTION PRESENTED BY THE PARTIES

1) When is a product incorporating pre-existing works a revision of any one of those pre-existing works rather than a new work?

ADDITIONAL QUESTIONS PRESENTED BY *AMICI*

2) Did the Second Circuit correctly construe 17 U.S.C. §201(c) to mean that authors and publishers can only contract to grant publishers more rights to re-use works included in collective works than are afforded by the statutory privilege and that the publishers privilege can only be eliminated by explicit agreement?

3) Is the privilege provided by 17 U.S.C. §201(c) personal or is it alienable?

4) Did this Court's decision in *New York Times Company v. Tasini*, 583 U.S. 483 (2001) expand the exemptions from infringement liability for archival microfilming provided in 17 U.S.C.§108 to permit production and distribution of microform products for commercial gain?

STATEMENT OF THE CASE

Amici adopt by reference the Statements of the Case submitted by the Petitioners.

SUMMARY OF THE ARGUMENT

Amici are requesting this Court to accept *certiorari* to decide the questions raised by the Petitioners and Respondents as well as the questions identified herein.

The questions raised herein formed the basis of the Second Circuit's decision, were essential to the outcome or so guided the court's reasoning that a review without addressing these questions would not provide necessary guidance. The Second Circuits' findings and conclusions as to these questions subvert the purposes of the Copyright Act and Article 1, § 8, cl. 8 of the Constitution. The Second Circuit's rulings on these questions misapplies this Court's teachings and is a complete departure from established principles of law.

The Second Circuit's decision:

- requires authors to explicitly eliminate the 17 U.S.C. §201(c) privilege in their contracts with publishers, notwithstanding the section's explicit reservation that no privilege arises if any express transfer of rights under copyright has occurred;
- expands the privilege granted by §201(c), beyond what Congress intended, permitting its alienability; and
- misinterprets this Court's comments in *Tasini* as permitting for-profit microfilming and distribution of

microform products even though §108 only permits microfilming for archival purposes and only by a limited class of persons.

The Second Circuit's decision causes extraordinarily harsh and unreasonable results and upsets the delicate balance Congress sought to achieve between the interests of authors and publishers. Most disconcerting is the fact that the Second Circuit's decision on these questions encourages use of the product of authors' creative energies beyond contractually permitted uses without compensation.

Amici request that this Court address these questions when it accepts *certiorari*.

REASONS FOR GRANTING THE PETITION

The reasons identified by the Petitioners and the Respondents for granting this Petition demonstrate that review is required. They include that:

a) A direct conflict exists between the decisions of the Second Circuit and the Eleventh Circuit Court of Appeals on the same important matier involving the same primary defendants and the same products.

b) The Second Circuit's decision is marked by egregious error; misapplications of this Court's teachings; a complete departure from established principles of law and from the accepted and usual course of judicial proceedings.

c) The Second Circuit's decision causes extraordinarily harsh and unreasonable results.

d) The Second Circuit substituted its judgment about consumer perception for that of the trier of fact in finding that consumers would conclude that the CNG is merely a new version of the individual monthly magazine issues.

e) The Second Circuit's decision frustrates the objectives of the Copyright Act and of Article 1, § 8, cl. 8 of the Constitution.

f) The issues raised by the Petitions have been in dispute for over 12 years and have consumed millions of dollars in attorneys' fees, and unnecessarily consume the resources of litigants and the courts.

g) The resolution of other cases await this Court's guidance.

i) Publishers and authors await clear guidance about what they can and cannot do and any further delay inhibits commerce and the public interest.

h) The dispute is in high focus and the record is fully developed; a decision is needed now and no better opportunity is likely to come available where two circuits are split on the same issues and products.

This Court can and should make clear the scope of the privilege created by §201(c).

Beyond the reasons identified above, *Amici* believe that three other rulings by the Second Circuit are wrong and dangerous in their impact. These rulings relate to:

1) the affect of contracts between authors and publishers on the publisher's privilege;

2) whether the privilege is alienable; and

3) whether the §108 archival microfilming exemption from copyrightablitity was somehow expanded by this Court's *Tasini* decision.

The Second Circuit's rulings with respect to these additional issues have the pernicious effect of undermining the well-recognized policies of the Copyright Act and the Constitution to protect and preserve the interests of authors and are inconsistent with the balance that Congress and this Court have sought to strike.

This Court needs to grant *certiorari* to clarify that author's and publisher's agreements supercede the statutory privilege which was created for instances where no such agreements exist; that the privilege granted publishers is personal and is not alienable; and that microfilm duplication and distribution for profit, not performed by libraries for archival purposes, does not qualify for the §108 exemption from copyright liability.

ARGUMENT

I. THE SECOND CIRCUIT MISCONSTRUED THE EFFECT OF CONTRACTS BETWEEN AUTHORS AND PUBLISHERS UPON THE §201(C) PRIVILEGE

Plaintiffs in each action under review expressly granted to NGS some rights under their copyrights in their works for the initial publication in the various NGMs. 17 U.S.C.§201(c), by its own terms, does not apply where there is any "express transfer of the copyright or of any rights under it." [2] Consequently, the §201(c) privilege does not apply and the right of NGS to use these Authors' works is governed by their express agreements.

This Court in *Tasini* confirmed that "Publishers and all others can protect their interests by private contractual arrangement." *Tasini*, 533 U.S. at 502.

The Second Circuit ignored this Court's guidance and the fact that, by contracting with NGS to permit inclusion of

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[2] The complete text of 17 U.S.C. § 201(c) provides:

> (c) Contributions to Collective Works. — Copyright in each separate contribution to a collective work is distinct from copyright in the collective work as a whole, and vests initially in the author of the contribution. In the absence of an express transfer of the copyright or of any rights under it, the owner of copyright in the collective work is presumed to have acquired only the privilege of reproducing and distributing the contribution as part of that particular collective work, any revision of that collective work, and any later collective work in the same series.

their works in the NGM in the first instance, Plaintiffs had made "express transfer[s] of the copyright[s] or of any rights under it." The Second Circuit erroneously maintained that the publishers continue to possess the privilege, notwithstanding these express transfers of rights under copyright.[3] Specifically, it stated:

> ***[T]he plain effect of the quoted language ["in the absence of an express transfer of the copyright or of any rights under it"] is only to establish the minimum rights acquired by publishers absent contractual provisions expressly overriding Section 201(c). In short, in the absence of a contract stating otherwise, publishers acquire "only the privilege*** of reproducing and distributing the contribution as part of that particular collective work, any revision of that collective work, and any later collective work in the same series." (Emphasis added)

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[3] Notably, the District Court relied upon the existence of those agreements between the parties to deny class certification to the Auscape Plaintiffs in its October 1, 2003, ruling that those agreements would impact the applicability of the privilege:

> "[I]ndividual issues of fact and law substantially predominate over any common questions. *The precise nature of the individual arrangements between each freelancer and the Society are, or are likely to be, at issue in each case.* This quite clear[ly] is not an appropriate case for (b)(3) certification." (Emphasis added)

If the Second Circuit's interpretation of §201(c) is correct, then the presence of contracts between NGS and the authors is irrelevant to the continued vitality of the privilege and all authors who did not explicitly contract to extinguish the privilege can be and should be certified as a Class.

Faulkner, 409 F.3d at 40. The Second Circuit applied a judicial gloss upon the statute requiring the parties to explicitly "contract" to extinguish the privilege, ignoring the fact that, as structured by Congress, the §201(c) privilege does not even arise where there are any express transfers of the copyright or of any rights under it.

The Second Circuit also declared that Plaintiffs had waived their rights to object to NGS's reuse of their works because they had lacked the prescience to anticipate the advent of new technologies and reserve rights for unknown and unfathomable future uses. It said:

> "Therefore, ***even if the Faulkner appellants harbored an intent to limit publication rights to a non-digital format, their failure to negotiate for pertinent contractual provisions or even to communicate these intentions to NGS is fatal to their claim.***"

Faulkner, *supra*, 409 F.3d at 40 (emphasis added).

Clearly, waiver requires a conscious relinquishment of a known right and no such waiver could have occurred where Plaintiffs were unaware of both unknown technologies and unknown future uses. Moreover, waiver is a question of fact which should have been reserved to the trier of fact.[4] This was

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[4] Other improper factual determinations made by the District Court include that:

> The Authors failed to object to use of their works in indices and bound volumes and so should be precluded from objecting now. *Faulkner*, 294 F.Supp.2d at 542.

a complete departure from the established principles of law and from the accepted and usual course of judicial proceedings. The Second Circuit required authors to reserve their rights, rather than requiring publishers to negotiate for and obtain the rights they need. This approach runs afoul of the statutory reservation of all rights to the author under 17 U.S.C.§§201(a), (c), 202, 203, 204, 205, 103(b), 106 and 106A.

The Second Circuit's construction expanded the privilege and fails to give effect to the express language of §201(c) which vitiates the privilege in instances where express transfers of rights under copyright exist. The Second Circuit's ruling reflects erroneous statutory construction and causes extraordinarily harsh and unreasonable results.

Resolution of this issue is important to *Amici*. Most of them had contracts with NGS, the publisher, which granted one time rights under copyright to include their works in the print edition of the NGM only. If the express language of §201(c) is applied, NGS obtained no privilege to use *Amici's* works in any other product, anthology, collective work or even in any revision or reprinting of the NGM, because the contract did not extend those rights to NGS. If the Second Circuit's view is credited, NGS possesses the §201(c) privilege notwithstanding the parties' express agreements that NGS would only use the works once and only in print, because the privilege was not explicitly eliminated by contract. Accordingly, NGS can reuse the works in any media because, in the words of the Second Circuit, they failed ***"to negotiate for pertinent contractual provisions."***

"[T]he content that motivates purchasers is the underlying collective work for which the plaintiffs granted rights." *Id.*

Countless other authors are similarly situated with *Amici* and the Petitioners. *Amici* beg this Court to rule on this important issue.

II. THE SECOND CIRCUIT INCORRECTLY HELD THAT THE §201(c) PRIVILEGE IS ALIENABLE

While the tax-exempt NGS was the publisher of the NGM collective works in which the authors' and *Amici's* works initially appeared, it was National Geographic Interactive ("NGI") which was the publisher of the CNGs. NGI was a for-profit wholly owned subsidiary of NGS to which NGS allegedly assigned its §201(c) privilege. The CNG was a result of contracts between NGI, Kodak and Mindscape and each of these entities claims that their reproduction of Petitioner's and *Amici's* works was privileged under §201(c).

The Second Circuit ruled that because the §201(c) privilege is a subdivision of a copyright acquired by the publishers. It stated:

> Section 201(c) transfers some of the copyright in a contribution to publishers in the form of a limited privilege. Section 201(d)(1) by its terms allows for a transfer of a copyright "in whole or in part." Section 201(d)(2) authorizes owners of "[a]ny of the ... rights ... in a copyright" to transfer such rights. Therefore, publishers may transfer any subdivision of a copyright that they acquire. *See Tasini*, 972 F. Supp. 804, 815-16 (S.D.N.Y. 1997) (holding subdivisions of copyrights transferable), *rev'd on other grounds*, 206 F.3d 161 (2nd Cir. 2000).

Faulkner, supra, 409 F.3d at 39. It rationalized that:

> The drafters intended that the Copyright Act of 1976 do "nothing to change the rights of the owner of copyright in a collective work" but that it merely clarify and improve an unfair legal situation by preserving an author's copyright in a contribution. H.R. Rep. No. 94-1476, at 122 (1976), *reprinted in* 1976 U.S.C.A.A.N. 5659, 5738. Given that intention, it is more than reasonable to read Section 201(c) and 201(d) together to render the publisher's limited privilege under Section 201(c) to be transferrable under Section 201(d).

Faulkner, supra, 409 F.3d at 39.[5]

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[5] The District Court relied on one additional theory to permit use by NGI. It held that:

> "[i]n view of NGS's beneficial ownership of and control of the subsidiaries here in question, they all are parts of the same economic enterprise. They are indistinguishable for purposes of Section 201 (c)." *Faulkner, supra,* 294 F.Supp.2d at 545.

However, the Second Circuit has expressed judicial reluctance to disregard the corporate form:

> '[T]hey do so only when the form has been used to achieve fraud, or when the corporation has been so dominated by an individual or another corporation ..., and it separate identity so disregarded, that it primarily transacted the dominator's business rather than its own and can be called the other's alter ego.'

Section 103(b) also makes the distinction clear: "[t]he copyright in a compilation ... does not imply any exclusive right in the preexisting material [underlying copyrighted work]." The §201(c) privilege relates only to the ability of the collective work author to reuse the individual contributions to that collective work after their initial publication; a collective work author owns none of the transferable rights identified in §106 with respect to the individual contributions. Whether the privilege is transferable depends on whether §201(d) permits transfer of privileges and whether the Author of the contribution consented to such a transfer.

Congress distinguished between "rights under copyright" pursuant to §106 and the §201(c) "privilege." The privilege arises only if there has been no transfer of "rights under copyright" which are defined in §106. Section 201(d) speaks only to the transferability of "rights" not "privileges." Congress' use of the word "only" in connection with the grant of the "privilege" also shows the privilege is different from and less

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Wm. Passalacqua Builders, Inc. v. Resnick Developers South, Inc., 933 F.2d 131, 138-139 (2d Cir. 1991)(citations omitted). Whether NGS exercised the requisite degree of control, disregarded corporate form or used it to commit fraud are all fact questions which should have gone to the jury. The District Court made no attempt to analyze whether the nine enumerated factors of *Passalacqua* to determine domination and control were present in this case.

The Second Circuit did not address this issue its determination that the §201(c) is freely alienable rendered this argument unnecessary. However, this Court should make clear that the privilege cannot be transferred even to wholly owned subsidiaries which the publisher has sought to maintain as separate.

than a "right." Thus, the publisher's "privilege," not being among the rights identified in §201(d), is not transferable.

Moreover, "privilege" historically refers to a personal prerogative which is not transferable. WEBSTER'S THIRD NEW INTERNATIONAL DICTIONARY 1805 (1976). See 8 Wigmore, EVIDENCE, §2196, p. 111 (1961) (A claim of privilege can be made solely by the person whose privilege it is. The privilege ...is purely personal.) See also, *United States v. White*, 322 U.S. 694, 698 (1944); *Chesapeake & O.R. Co. v. Miller*, 114 U.S. 176, 185 (1885) ("rights... may be conveyed", "privileges" are "personal ...incapable of transfer without express statutory direction").

Only NGS, the "owner of copyright in the collective work" – single NGM issues – can invoke any §201(c) privilege which may exist. Mindscape, Kodak, and NGI can claim no §210(c) privilege. Mindscape was not the "agent" of NGS, and cannot invoke the §201(c) privilege in a representative capacity, because its distribution agreement was not with NGS. As the District Court previously noted, Appellees entered into "a classic licensing arrangement" with their co-conspirators. *Ward v. National Geographic Soc.*, 208 F.Supp.2d 429, 443 (S.D.N.Y. 2002).

Transferability was central to the Second Circuit's conclusion that use by NGI, with Kodak and Mindscape, was privileged. Clearly, if the privilege is not transferable, the CNG is an infringing use. *Amici's* works were used in the CNG and their rights depend on this Court's consideration of the issue.

III. THE SECOND CIRCUIT MISINTERPRETED THIS COURT'S *TASINI* RULING AS EXPANDING PERMITTED MICROFORM PRODUCTION AND DISTRIBUTION

Microform products are traditionally used for archival purposes. However, in this case the creation of microform products was not done by a library or other institution for archival purposes. Rather, the microform products were being created from NGS' own collection of magazines by ProQuest[6] and sold as a commercial product, rather than from a particular library's collection of print magazines by the library. Such a commercial, non-archival creation of microform products is not privileged under the Copyright Act.

The Second Circuit believed that this Court's *Tasini* decision "gave tacit approval to microfilm and microfiche as permissible Section 201(c) revisions." It stated that "by contrasting that method of reproduction with the databases," this Court held that microforms "represent a mere conversion of intact periodicals (or revisions of periodicals) from one medium to another."[7] *Faulkner, supra*, 409 F.3d at 35-36. The Second Circuit stated that this Court "strongly implied, by contrasting the database to microfilm, that microfilm would constitute a

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[6] Proquest Information And Learning Company Fka Bell & Howell Information And Learning Company, Fka Umi Company Fka University Microfilms Inc.

[7] The District Court analogized the CNG to microfilm. *Faulkner*, 294 F.Supp.2d at 540-41. Whether and to what extent the CNG is similar to microform is a question of fact which must be decided by the jury.

privileged revision." A careful review of the *Tasini* decision shows that the Second Circuit read too much into this Court's comments about microfilm.

This Court certainly noted that microfilming represented a mere conversion from one media to another preserving the context of the original collective work, but it did not adopt the Dissent's erroneous suggestion that a microform copy would always be a "privileged revision" under §201(c).

Whether a publisher is permitted to republish a work included in a collective work in a subsequent republication, whether in print, digital media or microform, depends on the following factors:

a) Whether contracts between the author and publisher exist which transfer any right under copyright;

b) If no such express transfers of "rights under copyright," the publisher of the original collective work could reuse included works under the privilege only if it maintains context of the original collective work in the same collective work, a revision of it or a subsequent issue in a serial work, and not in a new and different work or an anthology;

c) In the case of microforms, the publisher of microform products which do not satisfy the conditions of paragraph b) above must be within the class of persons permitted to make archival microform products under 17 U.S.C. §108 and

the uses and distribution must be limited to those expressly authorized by §108 .[8]

This Court needs to make clear that its *Tasini* decision did not expand the exemption from copyright infringement liability available under §108 to for-profit reproductions and distributions of microform products which are neither authorized by authors or privileged under §201(c). *Amici's* works have been duplicated and distributed in microform by ProQuest which was not the publisher of the NGMs in which *Amici's* works first appeared.

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[8] The District Court erroneously referred to the CNG as a "digital archive," [*Faulkner, supra*, 294 F.Supp.2d at 536] despite the fact that NGS is neither a library nor an "archive" and the CNG was not made to "reproduce...one copy...of a work" for such limited purposes as preservation, security, or replacement of a damaged copy, etc. See 17 U.S.C. §108.

CONCLUSION

Amici respectfully request the Petitions for *certiorari* submitted by Petitioners be granted and the court take up the additional questions raised herein.

Respectfully submitted,

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